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## Development of the Motor-Fuels Tax

ABDEL M. FAWZY, JAMES W. MARTIN, and  
MARK FRISHE

## Economic Implications of Cost-Plus Pricing

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## Extraterritorial Jurisdiction of Small Cities

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## Economic Development in Archaic Greece

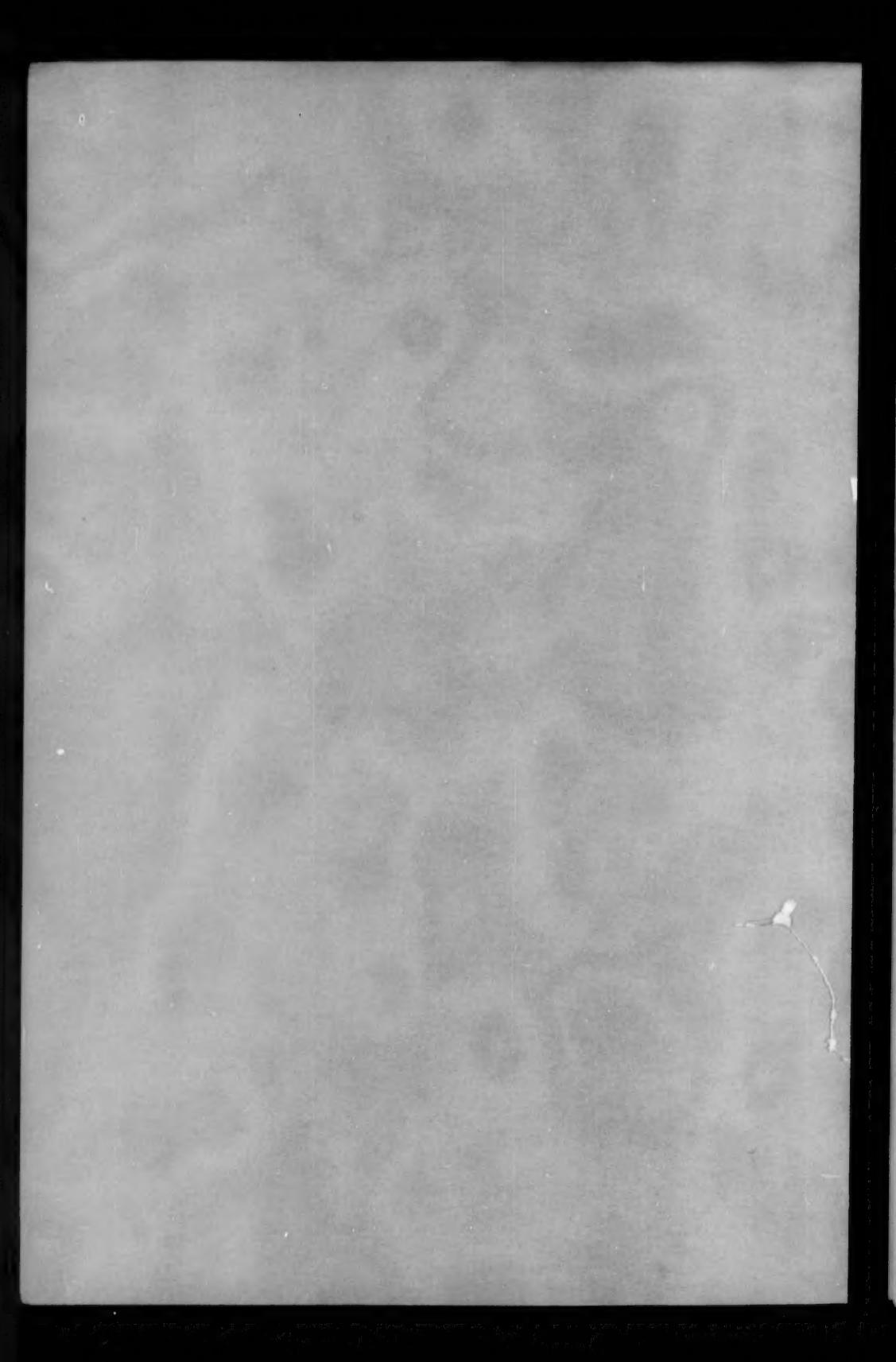
MURRAY E. POLAKOFF

## Trends in Mortality Differentials

PAUL H. PRICE

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# Development of the Motor-Fuels Tax in the United States

ABDEL M. FAWZY, JAMES W. MARTIN,  
and MARK FRISHE  
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## THE STATE FUELS TAXES

THE FIRST gasoline tax in the country came directly from the people through the initiative and was enacted into law in Oregon in 1919. Since that time the gasoline tax has been adopted by all states, by the federal government, and by local governmental units in seven states.

The lead of Oregon was quickly followed by other states. Within ten years, every state in the union had adopted the gasoline tax; and, in addition, there were eighty-nine instances of state legislative action to increase the rates of the taxes in the various states. Never before in the history of taxation has a major tax been so generally accepted in so short a period.

Since the acceptance of the gasoline tax among the states, the persistent upward shift in tax rates has continued; this, coupled with the continuous increase in gasoline consumption, has resulted in ever-increasing revenue. With the increase in rates, evasion of the tax has become more profitable. It has also added emphasis to the newer problem of taxation of motor fuels other than gasoline, a problem arising from greater utilization of diesel-powered vehicles. As a result, states have become more concerned than ever before with improving the administration of the tax.

### *Rate Structure*

Between 1930 and 1953, there were eighty-six state legislative actions to increase gasoline tax rates and twelve to decrease them. Of these twelve decreases, nine were only temporary, being followed by rate increases within a year or two. Florida, which was one of the first states to go to a three-cent tax in 1923 and which again led the way with a six-cent tax rate in 1929, adopted the first seven-cent rate in 1931. Louisiana set a new high in 1948 with a tax rate of nine cents but permitted this rate to revert to seven cents

NOTE.—The plan for this study was formulated by Mr. Martin, under whose supervision Mr. Fawzy did most of the fact-finding. During the absence of Mr. Fawzy from the United States, Mr. Frishe, who brought certain data up to date, collaborated with Mr. Martin in writing this paper.

in 1952. The trend in gasoline tax rates during this period, as shown in Table 1, has been consistently upward.

TABLE 1

## Predominant State Gasoline Tax Rates, 1929 and 1953

Cents per Gallon	Number of States*	
	1929	1953
2.0	8	0
3.0	9	2
3.5	1	---
4.0	20	6
4.3	---	---
4.5	---	2
5.0	8	17
6.0	3	12
6.5	---	3
7.0	---	7
Total	49	49

\* The term "states" throughout this paper includes the District of Columbia.

Sources: Computed from Public Roads Administration, *Highway Statistics, Summary to 1945* (Washington, Government Printing Office, 1947), 2; and United States Bureau of Public Roads, *Highway Statistics, 1952* (Washington, Government Printing Office, 1952), 10.

### Improvements in Tax Administration

The first gasoline tax laws were simply drawn and easily administered. The rates were low, tax evasion was comparatively negligible, and one of the early problems was to determine whether to tax the retailer or the distributor—a problem that was substantially solved by the industry.

When gasoline tax laws were passed in Colorado, Kentucky, New Hampshire, North Carolina, and Pennsylvania, they provided that collections should be made from the retailers. In Alabama, New Mexico, South Carolina, Indiana, and Mississippi, they provided that the tax might be paid by either importer or retailer. But the large oil companies desired to get the business of the small retailers, who, in turn, desired to avoid the inconvenience of having to pay the tax. By means of gentlemen's agreements between the state officials on the one hand and the oil dealers concerned on the other, it was arranged in most states that the large importing or refining companies should assume the tax for the small retailers. Since this reduced the difficulties of collection for the state and the dealers, everyone was satisfied.<sup>1</sup> It is now the intent of the gasoline tax laws generally to impose the tax near the point of greatest concentration, i.e., on the distributor, as variously defined.

<sup>1</sup> James W. Martin, "The Administration of Gasoline Taxes in the United States," *National Municipal Review* (Supplement), October, 1924, p. 595.

With the rapid increase in proceeds from the gasoline tax, evasion became profitable and loopholes were found in the laws. As a result, legal provisions for enforcement have been added, administrative provisions have been strengthened, and personnel engaged in administering the tax has been increased. Consequently, more consideration is being given to the administrative issues provided for in earlier legislation, such as licenses required of all distributors and in some states of retail dealers, bonds to insure payment of the tax liability, penalties in case of failure to make reports or failure to pay, proper audit of reports, and provision of allowances, exemptions, and refunds. Border patrols and co-operation among states in exchanging information as to interstate shipments of motor fuels have become the weighty concern of all tax administrators.

TABLE 2

State Motor-Fuels Tax Collections as a Percentage of Total State and Local Revenues, 1932, 1942, and 1945-52  
(Amounts in Millions of Dollars)

Fiscal Year	Total State and Local Revenues	Total Net Motor-Fuels Tax Receipts	Percentage Ratio of Total Motor-Fuels Tax Receipts to Total State and Local Revenues
1932	6,358	513.0	8.1
1942	8,527	839.5	9.9
1945	9,193	778.7	8.5
1946	10,094	1,058.6	10.5
1947	11,554	1,199.7	10.4
1948	13,342	1,343.0	10.1
1949	14,790	1,466.2	9.9
1950	15,914	1,658.9	10.4
1951	17,554	1,803.8	10.3
1952	19,323	1,958.5	10.1
Total	126,649	12,619.9	10.0

Sources: United States Bureau of the Census, *Summary of Governmental Finances in 1952* (Washington, D.C., 1953), 28; Public Roads Administration, *Highway Statistics, Summary to 1945* (Washington, Government Printing Office, 1947), 36, 37; *Highway Statistics, 1946*, p. 20; *Highway Statistics, 1947*, p. 24; United States Bureau of Public Roads, *Highway Statistics, 1948*, p. 38; *Highway Statistics, 1949*, p. 34; *Highway Statistics, 1950*, p. 42; *Highway Statistics, 1951*, p. 38; *Highway Statistics, 1952*, p. 9. (Bureau of the Census data for totals are on a fiscal-year basis; Bureau of Public Roads figures, a calendar-year basis.)

### *Increase in Tax Collections*

The phenomenal growth of state motor-fuel tax collections is shown in Table 2, where net receipts, after refunds, are compared with total state and local revenues for 1932, 1942, and 1945-52.

The growth in net motor-fuels tax receipts from \$513.0 million in 1932 to \$1,958.5 million in 1952, an increase of 281.8 per cent, emphasizes the changes of the last two decades, both in tax rates and in the volume of fuel used. Since the weighted average tax rate increased from 3.60 to 4.83 cents, or 34.2 per cent,<sup>2</sup> most of the additional yield is attributable to the greater amount of highway use.

During the period, the relative increase in net motor-fuel tax receipts paralleled rather closely the increase in total state and local revenues. In the prewar and war years from 1932 to 1945, the revenue from motor-fuels taxes increased 51.6 per cent as compared with a 44.6 per cent increase in total state and local revenues. This relationship has been reversed, however, in the postwar period from 1946 to 1952, when total revenues increased 91.4 per cent compared to the 85.0 per cent increase in motor-fuels tax receipts.

TABLE 3

Total Highway Use of Special Fuels as a Percentage of Total Highway Use of Motor Fuels, 1949-52  
(Amounts in Millions of Gallons)

Year	Total Highway Use of Special Fuels	Total Highway Use of Motor Fuels	Percentage Ratios of Total Highway Use of Special Fuels to Total Highway Use of Motor Fuels
1949	358.9	32,431.0	1.11
1950	511.5	35,652.9	1.43
1951	680.3	38,128.4	1.78
1952	805.6	40,584.4	1.98

Sources: United States Bureau of Public Roads, *Highway Statistics*, 1949, pp. 6, 8; and *Highway Statistics*, 1950, pp. 5, 7; *Highway Statistics*, 1951, pp. 5, 7; and *Highway Statistics*, 1952, pp. 5, 7.

### *Taxation of Special Fuels*

"Special fuel" is the term most commonly used to denote fuels other than gasoline, the principal one being diesel oil, that are used to propel motor

<sup>2</sup> United States Bureau of Public Roads, *Highway Statistics*, 1952 (Washington, Government Printing Office, 1953), 9.

vehicles on the highways. The use of diesel engines in motor vehicles began to assume importance in the United States by the middle of the 1930's; and, although their use is increasing, as shown in Table 3, these fuels comprise only a small percentage of all fuels used in motor vehicles on the highways.

Despite the comparatively small role played by special fuels in the total motor-vehicle fuels picture, it presents a major administrative problem to tax agencies because of two basic differences between special fuels and gasoline. A substantial portion of the special fuels distributed is not used on highways, a situation magnifying the problem of exemptions and refunds. Also, since diesel-propelled vehicles operate more miles per gallon of fuel, they pay less taxes per mile of highway use than similar gasoline-propelled vehicles.<sup>3</sup> These two factors, together with the tremendous growth in recent years in highway use of special fuels, emphasize the importance of the problems of administering a special-fuels tax.

The first diesel-fuel tax was enacted by Kentucky in 1936. Other states so followed this lead that, as of December 31, 1952, only three states did not tax special fuels.

*Tax treatment among the states.*—The states are classified into three groups according to their tax treatment of special fuels as of December 31, 1952.

- I. Three states do not tax special fuels—Idaho, Nebraska, and Vermont. In these states, however, special taxes are imposed on vehicles consuming special fuels in lieu of the fuel tax.<sup>4</sup>
- II. Thirty-seven states<sup>5</sup> tax special fuels and do not seek to differentiate in tax treatment between gasoline-powered vehicles and vehicles propelled

<sup>3</sup> Richard M. Zettel, "Highway Investment and Pricing," *Financing California's Highways*, a report submitted to the Joint Fact-Finding Committee on Highways of the California Legislature, Part 1 (Sacramento, California, California State Printing Office, 1952), 36-37.

<sup>4</sup> Idaho levied a mileage tax in lieu of a gallonage tax on vehicles using special fuels; however, Idaho repealed its mileage tax in 1953 and reimposed the "use" tax. In Vermont, a fee is imposed on nongasoline-driven vehicles equal to twice the amount of the annual registration fee provided for a motor vehicle of like classification and weight, using gasoline as the propellant. In Nebraska, an additional registration fee is imposed on motor vehicles using special fuels. Revenue and highway officials in these two states believe that these additional registration fees furnish as much revenue or more than if special fuels were taxed at the same rate as gasoline. There is, besides, the relative simplicity in collecting these additional registration fees compared with special fuel taxes.—Louis B. Tims, "Diesel Fuel Taxation," *Annual Report of the North American Gasoline Tax Conference* (Chicago, Federation of Tax Administrators, 1947), 15.

<sup>5</sup> Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

by special fuels. These states tax special fuels at the same rate as gasoline and impose on vehicles propelled by special fuels the same registration fees imposed on gasoline-powered vehicles.

III. Nine states tax special fuels and seek to equalize the tax burden upon gasoline-powered vehicles and vehicles propelled by special fuels. This group is classified, according to the method of equalization employed, into the three following categories:

A. Four states which tax special fuels at a higher rate than gasoline. The differentials in the special-fuels tax rates over the gasoline tax rates, as indicated in Table 4, vary from a low of 14.29 per cent in Mississippi to a high of 50 per cent in New York.

TABLE 4

Gasoline and Special-Fuels Tax Rates in Michigan, Mississippi, Nevada, and New York, 1952

State	Gasoline Tax Rate (in Cents)	Special-Fuels Tax Rate (in Cents)	Percentage Differential of Special-Fuels over Gasoline Tax Rates
Michigan	4.5	6.0	33.33
Mississippi	7.0	8.0	14.29
Nevada*	4.5	5.5	22.22
New York	4.0	6.0	50.00

\* Nevada levies an optional one-cent county gasoline tax which is collected in all counties of the state. If this tax is construed to be a part of the state tax, the total tax is the same for gasoline and special fuels.

Source: United States Bureau of Public Roads, *Highway Statistics, 1952*, p. 9.

B. Four states<sup>6</sup> which tax special fuels at the same rate as gasoline and which impose higher registration fees on vehicles propelled by special fuels. Nongasoline-driven motor vehicles pay, in addition to the registration tax, an equalization fee varying from 25 per cent to 100 per cent of the amount of the annual registration charge provided for comparable gasoline-powered motor vehicles.

C. One state which taxes special fuels at a higher rate than gasoline and also imposes a higher registration fee on vehicles propelled by special fuels than on gasoline-powered vehicles. Texas taxes special fuels at six cents a gallon and gasoline at four cents, a differential of 50 per cent. In addition to this, registration fees for vehicles consuming special fuels are higher by 10 per cent.<sup>7</sup>

<sup>6</sup> Alabama, Oregon, Washington, and District of Columbia.

<sup>7</sup> Cf. Griffenhagen and Associates, *Highway Finance and Taxation in New York*, report

In forty-one states<sup>8</sup> the tax on special fuels is applicable only to the gallonage used on the highways. In seven states,<sup>9</sup> however, the special-fuels tax applies to quantities used in motor vehicles generally. The majority of the states have amended their fuel laws or enacted special ones fixing tax responsibility for the highway use of special fuels upon the user. Kentucky was the first to enact a special law in 1936 fixing responsibility for tax payment on users of special fuels. Few states, however, hold distributors responsible for collection of the tax on special fuels, and these only on fuels sold for use in motor vehicles or for highway purposes. According to these methods of fixing tax responsibility, the states are classified into the three following groups:

- I. States in which distributors are responsible for collection of the tax on special fuels sold for use in motor vehicles or on the highways. This group consists of twelve states.<sup>10</sup>
- II. States in which users of special fuels on the highways are responsible for payment of the tax. This group consists of thirty-three states.<sup>11</sup> Users of special fuels in these states are required to be licensed; and, in seventeen states,<sup>12</sup> licensed users are bonded to insure payment of the tax. Licensed users in all states are required to report and pay the tax periodically on quantities of special fuels used in their motor vehicles on the highways.
- III. Kentucky, in which a new approach to fixing tax responsibility has been taken. In this state, dealers are responsible for collection of the tax on special fuels sold for use on the highways, but users are responsible for payment of the tax under certain circumstances. The Kentucky special-

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prepared for the Citizens Public Expenditure Survey, Inc. of New York State (New York, 1950), 148-51.

<sup>8</sup> Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, Wyoming, and District of Columbia.

<sup>9</sup> Alabama, Georgia, Illinois, Maryland, Massachusetts, Rhode Island, and West Virginia.

<sup>10</sup> Alabama, Delaware, Georgia, Illinois, Iowa, Maryland, Massachusetts, Montana, New Jersey, Rhode Island, West Virginia, and the District of Columbia.

<sup>11</sup> Arizona, Arkansas, California, Colorado, Connecticut, Florida, Indiana, Kansas, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

<sup>12</sup> Arizona, Arkansas, California, Colorado, Florida, Kansas, Maine, Michigan, Mississippi, New Mexico, North Carolina, North Dakota, Ohio, South Dakota, Tennessee, Texas, and Utah.

fuels dealer is responsible for collection of the tax on all special fuels he sells for use on the highway,<sup>18</sup> but he is not held liable to the state should a purchaser practice a deception as to the use he intends to make of the fuel. The special-fuel user, then, is responsible for payment of the tax on all special fuel he has used on Kentucky highways and on which the Kentucky tax has not been collected. Of special interest is the provision that both special-fuel users and interstate special-fuel users are liable for payment of the tax on the total number of gallons of special fuels used in operating on Kentucky public highways, regardless of whether the fuel was actually purchased in the state. The net effect of this provision, which became operative July 1, 1952, is to eliminate the practice of avoiding the tax by purchasing fuel in adjoining

TABLE 5

Federal Motor-Fuels Tax Collections as a Percentage of Total Internal Revenue Collections, Fiscal Years 1933-51  
(Amounts in Millions of Dollars)

Fiscal Year	Federal Motor-Fuels Tax Collections	Total Internal Revenue Collections	Percentage Ratios of Federal Motor-Fuels Tax Collections to Total Internal Revenue Collection
1933	124.9	1,604.4	7.78
1934	202.6	2,640.6	7.67
1935	161.5	3,277.7	4.93
1936	177.3	3,512.9	5.05
1937	196.3	4,397.1	4.27
1938	203.6	5,674.3	3.59
1939	207.0	5,161.2	4.01
1940	226.2	5,303.1	4.27
1941	343.0	7,361.7	4.66
1942	369.6	12,993.1	2.84
1943	288.8	22,144.0	1.30
1944	271.2	41,685.0	0.65
1945	405.6	43,902.0	0.92
1946	405.7	40,310.3	1.01
1947	433.7	39,379.4	1.10
1948	478.6	41,833.5	1.14
1949	503.6	40,307.3	1.25
1950	526.7	39,448.6	1.34
1951	569.0	51,106.1	1.11
1952	713.2	65,634.9	1.09

Source: United States Treasury, *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1952* (Washington, Government Printing Office, 1953), 512, 552.

<sup>18</sup> Ky. Revised Statutes 138.560-138.990.

states with lower rates, and to encourage the special-fuel users to purchase in Kentucky the fuel used in operating on Kentucky highways. As a result, Kentucky revenues from the special-fuels tax jumped from \$276.2 thousand in calendar year 1951 to \$459.0 thousand in 1953, an increase of 66.2 per cent.<sup>14</sup>

### THE FEDERAL GASOLINE TAX

A federal tax on gasoline was first proposed in 1914 but not enacted until 1932, when Congress began seeking emergency sources of revenue. Originally intended purely as a temporary measure, it was adopted for only one year. The tax was applied to all gasoline and to closely related fuels used in the propulsion of motor vehicles, motorboats, or airplanes. These "closely related fuels" included liquified gases but did not include diesel fuel.

In the special session of 1933, a series of compromises resulted in the renewal of the one-cent tax for two years and the enactment of an additional half-a-cent tax, which expired December 31, 1933. The original one-cent levy has been repeatedly renewed until it was again raised to one and one-half cents, effective July 1, 1940. The tax remained at that level until November 1, 1951, when it was increased to two cents a gallon.<sup>15</sup> In addition to this increase in gasoline tax rate, the 1951 act imposed a comparable tax of two cents per gallon on diesel oil used in highway vehicles.

#### *Productivity*

There has been phenomenal and, with two exceptions, continuous growth of federal gasoline-tax collections since the early 1930's (Table 5). The tax collections first declined in fiscal year 1935 and again during the two war years, 1943 and 1944. There has been a rapid postwar increase in federal gasoline-tax revenue. Throughout the period from fiscal year 1933 to fiscal year 1952, total collections increased from \$124.9 million to \$713.2 million, or 471.0 per cent. This advance emphasizes changes of the last twenty years, both in tax rates and in the volume of fuel used. The tax rate increased only 50 per cent; consequently, most of the additional yield is attributable to the greater amount of highway use.

Despite the impressive increase in the amount of federal motor-fuels tax collections, the ratio that it bears to total internal revenue collections has

<sup>14</sup> The increase in revenue since the enactment of this plan has been so pronounced that the same provision will apply to gasoline-powered trucks beginning July 1, 1954, under a law passed by the 1954 regular session of the Kentucky General Assembly.

<sup>15</sup> United States Treasury, *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1951* (Washington, Government Printing Office, 1952), 493.

dropped from 7.78 per cent in 1933 to only 1.09 per cent in 1952, as shown in Table 5. This presents an entirely different picture from that of the state motor-fuels revenues, which have held a fairly consistent ratio to total state and local tax collections (Table 2). However, in view of the revenues and the fact that the federal gasoline-tax collections have increased more than fivefold between 1933 and 1952, it must be considered a productive revenue measure. That the tax is on a comparatively broad base, is on a commodity having relatively inelastic demand, is not high enough to interfere with the yield, and is so easy to administer that evasion is insignificant are all factors contributing to the inherent suitability of the federal gasoline tax.<sup>16</sup>

The federal gasoline-tax revenue enjoys also a high degree of relative stability. Although revenues from the gasoline tax generally rise and fall with the crests and troughs of the business cycle, they do so far more moderately than many other tax revenues.

#### *Tax Load*

Increases in federal gasoline-tax collections from 1933 to 1952, due to the increase in rates and to the greater amount of highway use, were greater than increases in either population or total motor-vehicle registrations. Consequently, as shown in Table 6, average tax per vehicle and average tax per capita were higher in 1952 than in 1933. Nevertheless, total income payments to individuals have increased from 1933 to 1952 to a greater degree than have federal gasoline-tax collections. This means that, though the tax has increased in relation to vehicle registrations as well as on a per capita basis, the tax load has been reduced in terms of its relation to income payments. The increase in tax rate reflected in the 1952 collections and the rate increase reflected in the 1941 collections caused the only significant exceptions to the tendency of income payments to increase at a faster rate than motor-fuel tax collections.

#### *Administration*

The federal gasoline tax is easy to administer, largely because the tax-payers are relatively few in number and sales of gasoline used off the highways are taxable. The tax is nationally uniform in its application, eliminating the problems of evasion and avoidance which arise between individual states, and it provides few exemptions. These factors account for low administrative costs. Although the Treasury has no cost figures on gasoline-tax administration, it believes the gasoline tax, along with tobacco taxes, is among the

<sup>16</sup> M. Bronfenbrenner, "Diminishing Returns in Federal Taxation," *Journal of Political Economy*, October, 1942, pp. 699-717.

least expensive to collect of any of the major taxes administered by the Internal Revenue Service.<sup>17</sup>

The new federal diesel-fuel tax does not enjoy the administrative ad-

TABLE 6

Federal Gasoline Tax per Motor Vehicle, per Capita, and as a Percentage of Income Payments to Individuals, 1933-50

Year	Average Tax per Vehicle (in Dollars)	Average Tax per Capita (in Dollars)	Tax as a Percentage of Income Payments
1933	7.59	1.44	0.39
1934	6.82	1.35	0.32
1935	6.57	1.35	0.29
1936	6.62	1.46	0.27
1937	6.83	1.58	0.28
1938	6.82	1.55	0.30
1939	7.03	1.64	0.30
1940	8.79	2.13	0.37
1941	10.77	2.79	0.40
1942	10.33	2.52	0.29
1943	8.70	1.98	0.19
1944	10.92	2.48	0.21
1945	13.86	3.21	0.27
1946	12.19	2.96	0.24
1947	12.19	3.18	0.25
1948	12.27	3.41	0.25
1949	11.42	3.39	0.26
1950	11.35	3.65	0.25
1951	11.85	3.96	0.25
1952	16.18	5.43	0.33

Sources: Computed from Public Roads Administration, *Highway Statistics, Summary to 1945*, p. 18; *Highway Statistics, 1947*, p. 12; United States Bureau of Public Roads, *Highway Statistics, 1948*, p. 26; *Highway Statistics, 1949*, p. 13; *Highway Statistics, 1950*, pp. 16, 65; *Highway Statistics, 1951*, p. 12; *Highway Statistics, 1952*, pp. 26, 66; United States Bureau of the Census, *Statistical Abstract of the United States, 1951*, p. 8; *Ibid.*, *Current Population Reports: Population Estimates*, Series P-25, No. 86 (November, 1953); and United States Bureau of Foreign and Domestic Commerce, *Survey of Current Business*, August, 1953, p. 8.

vantages of the gasoline tax. The diesel-fuel tax is imposed on retailers selling diesel fuel for highway use and also on persons using diesel fuel in highway vehicles if no tax was collected from the retailer.<sup>18</sup> The multiplicity of taxpayers, the relative ease of avoiding the tax, the fact that highway use of diesel fuel constitutes but a small portion of the total volume of diesel fuel sold—all these factors create certain administrative problems and contribute toward a relatively higher cost of administration.

<sup>17</sup> United States Treasury, *Federal, State, and Local Government Fiscal Relations*, Senate Doc. 69, 78th Cong., 1st sess. (Washington, Government Printing Office, 1943), 521, cited hereafter as *Federal, State, and Local Government Fiscal Relations*.

<sup>18</sup> United States Bureau of Internal Revenue, *Internal Revenue Bulletin, July-December, 1951* (Washington, Government Printing Office, 1952), 334.

*Outlook for the Federal Gasoline Tax*

Since the federal government began gasoline taxation, arguments for repeal of the levy have been raised from time to time. Most of these arguments are based on the idea that the federal gasoline tax constitutes an invasion of a source of taxation formerly reserved to the states, that the federal gasoline tax is "temporary" in character and should be discontinued, and that the imposition of separate federal and state taxes entails some addition to taxpayers' compliance burdens because the taxes are imposed on different bases and are collected at different levels.<sup>19</sup> Apart from these arguments, some tax authorities claim that the role of the federal government in the highway field should be limited primarily to considerations of national defense and a limited pro-

TABLE 7

Motor-Fuels Taxes in Local Units of Government, as of January 1, 1951

State	Number of Jurisdictions Levying Motor-Fuels Taxes	Range of Tax Rates per Gallon
Alabama	139 municipalities	0.25 cent to 2.00 cents
	147 police jurisdiction*	0.25 cent to 1.00 cent
	9 counties	1.00 cent to 3.00 cents
Florida	4 municipalities	0.50 cent to 1.00 cent
Mississippi	3 counties	2.00 cents to 3.00 cents
Missouri	60 municipalities	0.20 cent to 1.50 cents
Nevada	1 municipality	1.00 cent
New Mexico	38 municipalities	0.25 cent to 1.00 cent
Wyoming	5 municipalities	0.50 cent to 1.00 cent

\* "Police jurisdiction" means one and a half miles, as the crow flies, from city limits, in the case of small cities, and three miles in the case of large cities. Gasoline tax rates in police jurisdictions are usually one-half of those in cities they surround.

Source: Computed from the American Petroleum Industries Committee of the American Petroleum Institute, *Local Gasoline Taxes* (unpublished, February 25, 1952).

gram of equalization of resources among the states to promote commerce and the general welfare.<sup>20</sup> They contend that such functions are the obligations of the general public and should not be the responsibility of motorists alone.

A recent study of federal-state tax co-ordination concluded that the possibilities for repeal of the federal gasoline tax depend in part on the difficulties of finding replacement revenues.<sup>21</sup> The study referred to the necessity of giving special consideration to the taxation of aviation gasoline, which, if not reserved for the federal government, might possibly be handled by re-

<sup>19</sup> *Federal, State, and Local Government Fiscal Relations*, 523-27.

<sup>20</sup> Charles L. Dearing, *American Highway Policy* (Washington, Brookings Institution, 1941), 175.

<sup>21</sup> *Federal-State Tax Coordination*, United States Treasury (Washington, United States Treasury Department, 1949), 13.

quiring the states, as one of the conditions of federal withdrawal from motor-fuel taxation, to agree to a line of policy calculated to minimize state-imposed tax impediments to interstate aviation.

### THE LOCAL MOTOR-FUELS TAXES

The rapid increase in population of cities within the past few decades and the resulting additional expenditures for services have led municipalities to search for new sources of revenue. The desperate financial straits in which many local units of government found themselves during the Depression provided further impetus to this movement. Local motor-fuels taxes constitute one of these relatively new sources of revenues. As of January 1, 1951, 287 municipalities and 12 counties, in 7 states, as shown in Table 7, were imposing gasoline taxes which varied from 0.2 cent to 3.0 cents a gallon. The tax is by far most widely used in Alabama, and is employed to an almost insignificant extent in Florida, Mississippi, New Mexico, and Wyoming. The most common local rate, which is one cent a gallon, is levied by 218 municipalities and 8 counties.

State motor-fuel tax laws differ in dealing with taxation of motor fuels by municipalities and other political subdivisions. In twenty-one states,<sup>22</sup> local units of government are prohibited by law from levying gasoline taxes. In Florida the prohibition does not apply to the four municipalities levying a gasoline tax under special laws, and in Nevada the law does not apply to Carson City, which imposed a local tax prior to the enactment of the prohibition. Motor-fuel tax laws in twenty-four states<sup>23</sup> do not contain any provisions with respect to local gasoline taxes. In Alabama, Mississippi, and New Mexico, local units of government are permitted by statute to impose gasoline taxes, though the extent or scope of this authorization varies from one state to another.

#### *Local Motor-fuels Tax Collections*

Statistics on local motor-fuels tax revenues are fragmentary, especially in small local units of government where revenues from the tax are added to the revenues from other excises and licenses. Twenty-nine cities having over ten thousand population have taxes on motor fuel. Revenues from these taxes in 1949, as shown in Table 8, amounted to \$4 million for twenty of

<sup>22</sup> Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Washington, and Wisconsin.

<sup>23</sup> Arizona, California, Idaho, Illinois, Iowa, Maine, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, West Virginia, and Wyoming.

these cities reporting their collections to the International City Managers' Association. St. Louis and Kansas City, Missouri, account together for 62.20 per cent of the revenue total, with a 1949 collection of \$2.5 million. Nevertheless, Mobile, Alabama, with revenues from the motor-fuels tax amounting to \$405,800, or even Cheyenne, Wyoming, with revenue of only \$84,000 from this source, seems, by far, more dependent for local tax revenues on the motor-fuels tax than St. Louis or Kansas City.

TABLE 8

Gasoline Tax Collections for Twenty Cities Over Ten Thousand Population, 1949\*

City	Gasoline Tax Rate (in Cents)	Gasoline Tax Collections (in Thousands of Dollars)	Percentage Ratios of Gasoline Tax Collections to Total Tax Revenues
St. Louis, Missouri	1.0	1,355.6	3.8
Kansas City, Missouri	1.5	1,157.2	8.2
Mobile, Alabama	2.0	405.8	16.9
Montgomery, Alabama	1.0	180.2	7.4
Tuscaloosa, Alabama	1.0	101.1	15.2
St. Joseph, Missouri	1.0	90.9	5.3
Decatur, Alabama	2.0	86.0	n.a.†
Cheyenne, Wyoming	1.0	84.0	15.6
Pensacola, Florida	1.0	75.0	6.2
Florence, Alabama	2.0	73.6	n.a.
Anniston, Alabama	1.0	65.0	7.5
Springfield, Missouri	0.5	60.0	4.5
Casper, Wyoming	1.0	60.0	n.a.
Bessemer, Alabama	1.0	52.1	10.4
University City, Missouri	1.0	48.0	6.3
Laramie, Wyoming	1.0	40.0	n.a.
Richmond Heights, Missouri	1.0	32.0	n.a.
Clayton, Missouri	1.0	30.0	n.a.
Roswell, New Mexico	0.5	22.0	n.a.
Kirkwood, Missouri	0.5	21.1	n.a.
Total		4,039.6	

\* The table includes twenty cities over ten thousand population, according to the 1940 census, that levy gasoline taxes. Cities are classified in order of collections from the gasoline tax in 1949.

† "N.a." indicates that specific data are not available.

Sources: Computed from *Municipal Year Book, 1950* (Chicago, International City Managers' Association, 1950), 202-203; and United States Bureau of the Census, *Compendium of City Government Finances in 1949* (Washington, Government Printing Office, 1950), 16-24.

A recent study of revenues of small Alabama cities reveals that in twenty-three, having 1950 population of two thousand to five thousand, motor-fuels tax collections ranged from 4.96 to 35.48 per cent of total local tax revenues during the fiscal year 1950.<sup>24</sup> If this sample is representative of small cities

<sup>24</sup> Paul E. Alyea, *Revenues of Small Alabama Cities* (University, Bureau of Business Research and Bureau of Public Administration, University of Alabama, 1952), 16-18.

and towns, as a group, it may be concluded that this tax occupies a more significant place in the local revenue system of smaller cities and towns, with smaller volume of collections, than in those of larger cities.

### *Characteristics of Local Motor-fuels Taxes*

Advocates of local motor-fuels taxes contend that these imposts are providing satisfactory revenues for municipalities and counties in particular states. Nevertheless, some students of taxation claim that experiences with local motor-fuels taxes in the seven states in which they have been utilized show these taxes are unsatisfactory from the standpoint of the motorists who pay the tax, the petroleum industry that collects it, the governmental unit that enforces it, and the businessmen of the community in general.

It has been pointed out that local taxation adds to the complexities and inequalities of motor-fuels taxation and tends to burden local activity.<sup>25</sup> There are some places in Alabama where four gasoline taxes are being collected: federal, state, county, and city. Besides the additional burden that these taxes impose on motorists, it is claimed that they also tend to drive business outside the municipal or county limits, since local motorists, as well as truckers and passing motorists, can buy their gasoline across the town or county line. Consequently, gasoline dealers, as well as garage owners, hotel managers, proprietors of tourist camps, and other businessmen in the localities in which motor-fuels taxes are imposed, are placed at a disadvantage as compared with their competitors in the neighboring counties and cities. In addition to this adverse effect upon gasoline service stations, some of the studies pointed out that the imposition of local taxes entails an additional cost of compliance on the gasoline dealers who collect the tax for the local governmental unit.<sup>26</sup>

Finally, it has been noted that the agencies administering local motor-fuels taxes are usually too small for efficient and economical operation, that the cost of administration is excessive, that these taxes encourage bootlegging of gasoline into the locality from neighboring jurisdictions in which no local taxes are in effect, and that local protective "use" taxes are almost impossible to enforce. In an unreported survey several years ago, the University of Kentucky Bureau of Business Research found that cities' and counties' gasoline taxes, as compared with those of states, were not only occasioning excessive compliance costs to petroleum dealers and incurring generally a

<sup>25</sup> A. M. Hillhouse, *New Sources of Municipal Revenue* (Chicago, Municipal Finance Officers' Association of the United States and Canada, 1935), 32.

<sup>26</sup> A. M. Hillhouse and M. Magelssen, *Where Cities Get Their Money* (Chicago, Municipal Finance Officers' Association of the United States and Canada, 1945), 84. See also *Federal, State, and Local Government Fiscal Relations*, 524.

higher proportionate cost of administration, but were much more generally occasioning outright fraud and oil-company errors than were the applicable state motor-fuels taxes in the same areas. In comparatively few cases did cities undertake any systematic audit to check the accuracy of reports.

Taking into consideration the basic premise that motor-fuels tax evasion and avoidance become easier—and therefore more prevalent—as the geographic area of the taxing unit decreases, with the resultant adverse effects on local businesses, the motor-fuels tax does not appear to be a satisfactory source of local revenue. A scheme of distribution to the localities of a part of the revenue from collections of the state motor-fuels tax may offer a preferable solution to the problem of providing local revenue.<sup>27</sup> Any other solution would probably involve the utilization by local units of the collection and enforcement facilities of the state or federal governments.

<sup>27</sup> Joint Committee of the American Bar Association, the National Tax Association, and the National Association of Tax Administrators, *The Coordination of Federal, State, and Local Taxation* (1947), 58-59.

# Some Economic Implications of Cost-Plus Pricing

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**I**N GENERAL, we may say that cost accounting has three primary functions: (1) to provide cost information necessary for the measurement of income; (2) to provide information necessary for the control of costs; (3) to provide cost information for use in business-policy decisions, including price determination.

It is with the use of costs as a basis for price determination and the measurement of income that we shall be concerned here.

Let it be understood initially that my objective is to bury cost-plus, not to praise it. It should be observed, however, that there are two types of cost-plus pricing: full cost-plus and invoice cost-plus. Invoice cost-plus—or "markup" pricing—commonly used by wholesalers and retailers, is not quite so objectionable as is full cost-plus; we shall not deal with it here.

Full cost-plus pricing consists of: (1) computing the costs of materials, direct labor, and other directly assignable costs, (2) adding specified percentages for overhead and selling expenses, and (3) adding a "fair" profit. The question at hand is whether this commonly used type of pricing is in accord with what economic theory tells us prices *should* be in order for a firm to achieve its proper economic goal, *viz.*, profit maximization. If we find a disparity between cost-plus and economic theory, we shall first have to ask why and then evaluate the consequences. These questions could be discussed more successfully in a semester than in a brief paper; however, I shall try at least to set up the problem and to draw some general conclusions about cost-plus pricing.

In the beginning, it will be wise to review some of the principles of economics which deal with price policies. For our purposes we may limit ourselves to the discussion of one particular pricing decision, namely, the price which a firm should charge for a job order sale—for example, the price a machine shop should charge for a thousand machined pipe-couplings. This

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is the simplest case, one in which the difference between cost-plus and economic pricing can readily be drawn.

If the machine shop were a monopolist operating in a small city, its pricing decision should be based on how much it could get—"what the traffic would bear." "What the traffic would bear" would be a function of the distance to the next machine shop, the trouble which the potential customer might be willing to undergo to make his own couplings, etc., in short, upon what the firm considers the demand curve of the potential customer to be. If the firm has competitors, it must also worry about what they would bid for the contract.

Of principal interest to us is the *least* price that the shop owner should be willing to take. Anything in excess of this would, of course, be highly desirable from his point of view, if not from that of the customer; indeed, the management should try to get as much over the minimum as possible. What is this minimum? (For purposes of simplicity we shall assume that the firm has sufficient capacity to make the couplings without having to abandon other orders, though this assumption could be relaxed if necessary.)

The rule of economic theory is clear: if incremental cost is greater than incremental revenue, then the contract should be rejected. However, once incremental revenue exceeds incremental cost, it is advisable that the firm take the job. This is, of course, the general rule for all pricing decisions, but we shall ignore the more complex cases here. The minimum price per coupling which the firm should take in a bargaining match is, then, per-unit incremental cost (total incremental cost divided by the number of units produced). At this price the firm would break even on the contract. With any higher price it would make what we might loosely call a "profit." To be more precise, it would have more money in the bank after completing the contract than it would otherwise have had if it had rejected the job. I make no pronouncements on whether the firm would or would not make a profit on this one operation, if we mean by "profit" an excess of total receipts over total cost. I am unable to say whether a profit would be made in this sense of the word. Neither do I care—and this is just as well. For if I did care, I should find myself in a state of considerable frustration, because, as we shall see, it is *impossible* to determine whether a profit would be made on this particular operation.

Perhaps an example is in order. Upon inquiry, the cost accountant tells the management that the firm would have to pay out \$1,000.00 for additional labor, materials, power, and other direct costs in order to make the couplings. No new machinery is needed. (The cost accountant would also be likely to volunteer some information on overhead, but this must be promptly and resolutely filed in the wastebasket.) If the potential customer has offered \$800.00

for the job (\$.80 per coupling), the firm rejects the offer. Anything it can get over \$1,000.00 it takes. In other words, the least price acceptable to the firm is \$1.00 per coupling (\$1,000.00 divided by 1,000 units). Why? If it gets the contract, it will have to make an outlay of \$1,000.00 that would not otherwise have been made. To evaluate the desirability of the contract, it must compare the expected revenue with the cost which would not otherwise have been incurred *and with no other cost*. If the expected incremental revenue is greater than the additional outlay of \$1,000.00, then the firm will end up with more money than if it had not taken the job; the amount of extra money in the bank account is the difference between the incremental revenue and the incremental cost.

What is the result if a full cost-plus formula is used? Full cost-plus would set the price at some percentage in excess of both incremental cost *and* overhead (fixed) cost. (To keep this simple, we shall ignore selling expense, though it could be included.) The difference between the price resulting from economic theory and full cost-plus is overhead cost plus the "profit" margin. I am not so inclined to quarrel with a margin over cost for profit so long as (1) the cost is incremental cost and (2) the margin is not rigidly adhered to. After all, if expected incremental revenue is only equal to incremental cost, all the firm can do is to break even on the operation. If it chooses not to take jobs unless it can make a little more than incremental cost, then it may well be making a wise decision. What if it has underestimated direct costs a bit? A margin for safety is not unwise. However, the margin must be flexible, since either a higher or lower margin might be accepted on any given job, depending on the bargaining conditions. Also it should not be called a "profit" margin because of the implications that it should never be relaxed or exceeded. But these are relatively picayune criticisms; if the use of a margin were the only issue, there would be no real conflict between cost-plus and the economic theory of pricing.

The real villain in cost-plus is the allowance for overhead (fixed) costs. Suppose the management has not relegated the cost accountant's overhead estimates to their proper place in the wastebasket: then the least price the firm could take would be incremental cost, plus both overhead cost and a profit margin. By adding the overhead margin the firm may well lose business it could profitably have had. This loss of business for the sake of covering full cost is made even worse by the fact that the overhead figure is almost inevitably wrong.

In order to clarify the proposition that the inclusion of overhead in the cost-plus formula may cause an unjustified loss of business, we may expand the previous example. Assume that the cost-plus formula is direct cost, plus 25 per cent for overhead, plus 10 per cent (of alleged total cost) for "profit."

The direct cost of the one thousand couplings was found to be \$1,000.00. Adding 25 per cent to this for overhead, we get \$1,250.00. Adding yet another 10 per cent for profit, we get \$1,375.00. In other words, the firm would accept as the minimum (and also the maximum) price, \$1.375 per unit, instead of the minimum of \$1.00 that economic theory would dictate.

Should the customer say, "A dollar twenty or I take my business elsewhere," the management would be forced under a rigid cost-plus system to shake hands and show him to the door. By this decision, the management has thrown away the opportunity of having \$200.00 that it should otherwise have had and will not now have. It is clear that by insisting upon full cost (a necessarily incorrect estimation of full cost, at that) this firm has used the wrong criterion.

The management has failed to maximize the firm's profits by the simple expedient of losing sales the business should have had. By insisting that the new order assume part of the plant's fixed costs, costs which will continue to exist whether the couplings are produced or not, the firm has lost an opportunity to make \$200.00 (\$1,200.00 incremental revenue less \$1,000.00 incremental cost).

With this simple explanation of the relationship between cost-plus and correct pricing in mind, we may now proceed. It is, I think, proper to ask why firms use cost-plus so universally, as they are shown by statistical studies to do. The analysis just described hardly deserves the name "analysis" at all. It is so elementary and apparent that it hardly seems possible that a businessman would use such a formula—at least in cases like that just constructed. However, it is possible that nothing more than ignorance may explain the devotion of some managements to cost-plus. Especially does this seem possible when it is remembered that the cost accountant is dedicated to the inclusion of overhead in his cost data, the same cost data which are most likely used by management for pricing decisions. The expert cost accountant says that this is "cost," and the cost accountant is, like Brutus, an honorable man. The businessman feels that he must cover "cost" as an alternative to bankruptcy. His cost information is that provided by the cost accountant; hence full cost-plus.

Another explanation (rationalization?), the one most often offered by the businessman himself for his addiction to cost-plus, is that it gives him a "fair" profit. He feels that he is certainly entitled to cover his costs. On the other hand, having been educated in the history and mores of Western civilization, he feels that there is something slightly immoral about maximizing profits at his neighbors' expense, even though this is his proper function in a free enterprise society. He feels that he should extract no more than a "fair" or "just" profit. This doctrine derives, I believe, from two sources.

One is the complaint, originating with the Muckrakers and the Socialists, about the avaricious, grasping capitalist who gouges the public and his employees and gathers great profits to his greedy capitalistic bosom. The capitalist naturally reacts to this and attempts to demonstrate that it is not so, e.g., "Free Enterprise Is Not a Hunting License."<sup>1</sup>

The other source, perhaps a more respectable one, is the medieval doctrine of "just price." In the words of Thomas Aquinas:

... It is altogether sinful to have recourse to deceit in order to sell a thing for more than its just price, because this is to deceive one's neighbour so as to injure him. . . .<sup>2</sup>

... according to the Divine law, it is reckoned unlawful if the equality of justice be not observed in buying and selling: and he who has received more than he ought must make compensation to him that has suffered loss, if the loss be considerable. . . .<sup>3</sup>

In other words, to bargain with your customer to his great disadvantage was, in medieval Christian doctrine, considered to be a sin in the same category with "usury," the charging of interest on borrowed money.<sup>4</sup> The modern capitalist has, I think, still not shaken off at least a vague feeling that to maximize profits is to decrease his chances of salvation after death. Note that even though we no longer forbid the charging of interest entirely, we still have usury laws limiting interest rates.

Furthermore, the customer feels deeply, even though he may protest loudly his faith in the capitalist system, that price should be related to cost, that it is a violation of the principles of a Christian democratic society to gouge the "poor, defenseless consumer." Even if the housewife does not believe that the meat-packing industry's heads have been deprived of their salvation by not cutting meat prices with the fall in beef prices, she both feels and expresses righteous indignation about the profiteering meat-packer —so much so that the Meat Institute has found it necessary to engage in advertising to show that the industry is really not charging what the traffic will bear. Even that phrase, "what the traffic will bear," originating, I believe, with railroad monopoly, has distinctly evil overtones. So long as price fluctuates with cost, as it does in cost-plus, the consumer can be pacified in part at least.

The use of cost-plus also exonerates the businessman from possible charges of "selling under cost." Selling below cost is socially unacceptable behavior

<sup>1</sup> Clarence B. Randall, "Free Enterprise Is Not a Hunting License," *Atlantic Monthly*, March, 1952, p. 38.

<sup>2</sup> *Summa Theologica* (Dominican Fathers ed., London, 1918), ques. 77, art. 1, p. 318.

<sup>3</sup> *Ibid.*, ques. 77, art. 2, p. 320.

<sup>4</sup> *Ibid.*, ques. 78, pp. 329-41, *passim*.

in the business community; it violates the spirit of the "community of interest." "Price-cutter" and "cut-throat" competition are derogatory terms. We have, of course, even had legislative reaction against the "unfair business practice" of selling below cost—especially when this injures a small competitor. If one sells faithfully at cost-plus, he cannot be accused of immoral business practices by his country-club associates; neither does he leave himself open to government action.

Cost-plus, then, may be used because of ignorance or misinformation, or because of a more or less conscious fear of purgatory and the ire of customers and/or competitors. Are there other reasons? We might discuss four more: (1) It is allegedly simple and straightforward; (2) It is cheaper than any other system; (3) It is a safe system in the sense of preventing loss; and (4) It enables managements with joint products to evaluate the profitability of each product produced by the firm.

Cost-plus pricing is simple, so its adherents say. One merely computes the cost of direct labor, materials, fuel, etc., adds a proper percentage to cover the fair share of overhead, and adds a margin for a just profit.

Although the arithmetic may be simple, the allocation of overhead is arbitrary and largely meaningless. It is also unnecessary for pricing purposes. Just what is the fair share of overhead? Cost accountants go through strange machinations based on floor space, or workers employed, or percentage yields, or market value, or something, and arrive at a figure. We are assured in all earnestness by otherwise rational men that overhead is equal to, say, 66.667 per cent of direct cost. If the direct cost of producing an item is \$2.00 per unit (a figure which should be ascertainable), the total cost is therefore  $\$2.00 + (.66667 \times \$2.00)$ . We add to this our fair profit of 10 per cent and arrive at a price of \$3.66.

If a firm produces only one product, it would, indeed, appear relatively simple to compute total-unit cost; it is simply the total of fixed and variable costs divided by output. There is no problem of allocating costs among joint products. If it is feasible to compute per-unit cost, then it is simplicity itself to add on the proper profit percentage, once we have arbitrarily decided on the latter. But is it feasible to compute per-unit cost even in this case? It is if per-unit cost does not vary with output. If, however, as we would expect for many firms, per-unit cost decreases as more and more of the plant's capacity is used, then there is not one, but an infinite number of per-unit costs which might be used. Perhaps we should choose the per-unit cost at capacity. If this is done, then we are adding our profit margin to a cost which is lower than the computed cost at all lesser outputs. (This is probably a step in the right direction, but merely by accident.)

It is also asserted that cost-plus is cheaper than any other pricing system.

In the case of job orders, this is not true, since the contracts depend largely on bargaining ability. What should be used is direct (incremental) cost. However, where there are many products sold in large quantities with production prior to sale, there are serious problems involved in accurate pricing. It is necessary not only to know direct costs of all products, but also to have some idea of the demand for each. Demand analysis is certainly expensive. Furthermore, the results may well be outdated by the time the study is completed. In some cases, demand analysis on anything more than a superficial level is not possible at all. Under these conditions, then, it may well be true that highly sophisticated pricing policies can be developed only with great expense and difficulty.

It is my feeling, however, that even the crudest demand analysis can hardly be any worse than cost-plus pricing. Indeed, I have some confidence that it would be considerably better. For a better solution than that of arbitrary cost-plus we must know variable cost, have some idea about what the customer is willing to pay, and have a knowledge of the principles of economics. With many items produced for a hypothetical market, the problem admittedly becomes more complicated; but it is a naive firm indeed that refuses to engage in any sort of demand analysis.

Third, it is said that while cost-plus is not perfect, it is at least safe. One cannot lose money on sales made, since he covers full cost. One does not spend large amounts trying futilely to maximize profits and then find that he has lost money. This erroneous assertion of guaranteed safety cannot be ignored. If the company could correctly compute total-unit cost, it is true that it would not lose money on any sales it might be fortunate enough to make at cost-plus. But this is no guarantee that the firm will not lose money by not making sales, as was the fate of our machine shop in the previous example.

Finally, it is said that products which cannot be sold at a profit are easily detected, since they do not sell at all under the cost-plus system. Similarly, management allegedly can judge the relative profitabilities of several products by seeing which are doing best under a cost-plus system. It is fatuous to assert that the firm knows how much it is making on each product and that products which could be sold only at a loss can readily be dropped. To know the profit on each of several joint products, one must know the cost of each product. To know these individual costs, one must know each product's share of joint costs. But joint costs are joint costs. No matter how the cost accountant rationalizes his overhead allocations, he is attempting the impossible. One can never know the profit on any one of several products which his firm produces. And, as I pointed out earlier, one does not need to know this. He needs to know only the additional costs involved in making the product and the additional revenue which he can expect to get for it. Of course, if he must

decide between producing this product or some other, he needs to know the direct costs of both and the demand for both. Once he knows this, his problem is solvable without making any artificial, deceptive cost-plus computations. (The method of solving this problem is a matter too lengthy for discussion here.)

Actually we do not know the extent to which businessmen follow the practice of cost-plus pricing. In a pioneer study of the prewar British economy, R. L. Hall and C. J. Hitch found that 79 per cent of a sample of thirty-eight firms adhered to some extent to this practice.<sup>5</sup> No comparable study of the United States economy has been made, but it would not be surprising to find an even larger percentage of our firms professing adherence to cost-plus. However, in view of the limitations of this policy, it is entirely possible that the businessman does not in fact follow cost-plus to the extent that he implies when interviewed as to his pricing policy. If the businessman believes cost-plus to be a fair and socially acceptable pricing system, then he will be reluctant to admit to an outsider that he tries to maximize profits or that he sells below "full" cost. Special sales, hidden price competition in the form of concessions from quoted price for favored customers, failure to pass along excise tax cuts—all these are evidence of something less than rigid adherence to cost-plus. Oxenfeldt has provided us with an interesting example of "intuitive" cost-plus, i.e., adjustment of the formula price in line with an intuitive appraisal of demand:

I add a margin over direct costs to cover overhead and then add my margin for profit. Then I get together with Mr. —— (the other top executive) and we just sit there and look at the item and think about whether that is a good price. Frequently we deviate from the price arrived at by our simple markup.<sup>6</sup>

Nevertheless, full cost-plus pricing is used widely. It insists that we cover not only incremental costs, but also overhead costs and profit. Since traditional cost-accounting techniques undoubtedly have contributed to the use of overhead in the formula, we must conclude that these techniques are not serving the needs of management for setting price. Certainly they have confused the procedure by which management seeks to maximize profits.

It might be said that the inappropriateness of the traditional treatment of overhead, as a cost to be used as a basis for pricing, does not mean that tra-

<sup>5</sup> See "Price Theory and Business Behavior," in *Oxford Studies in the Price Mechanism* (T. Wilson and P. W. S. Andrews [eds.], Oxford, 1951), 119.

<sup>6</sup> Alfred R. Oxenfeldt, *Industrial Pricing and Market Practices* (New York, 1951), 182, cited hereafter as *Industrial Pricing*.

ditional overhead costing is not useful for other purposes. It is my feeling, however, that the same principles and the same considerations which should guide price determination should also guide the cost accountant and the general accountant in measuring the ultimate result of the price policy, that is, in measuring the economic performance of the firm. It is clear that the traditional treatment of overhead does give misleading and incorrect information in several cases. Full development of this proposition would require an extensive examination of the theory of accounting, a task clearly beyond this paper. I should like, however, to mention two of the problems raised: one, the treatment of income arising from individual products in a joint-product firm; the other, the effect of inventory valuation on income determination.

I have already pointed out that the determination of the profit on any one of several joint products requires a determination of the cost of each of these products. This in turn requires the determination of the share of overhead applicable. Such determinations are impossible in any meaningful sense. But we continue to do it, and management continues to act on this information. Management makes decisions on the desirability of producing product A instead of product B on the basis of the income attributed to the products. But this income is based on fallacious costs; hence, the decisions are fallacious. The firm is in reality unable to arrive at an intelligent price and output policy because it relies on incorrect income data.

The second problem is the effect of inventory valuation on income determination when a firm produces more than it sells in a given year. This point is simple and most disturbing. Under these conditions, additions to inventories are not counted in costs incurred in that year. This may be all well and good for items of direct costs. But what about the fixed costs that have been allocated by some arbitrary process to those goods held in inventories? Overhead allocated to production in excess of sales is not deducted from the revenue of the period to which the overhead is actually applicable. If the overhead costs are a function of time, as they must be (otherwise, they are direct, not overhead, costs), then these costs are incurred whether the goods are sold or whether they are placed in inventory. But the imputation of overhead to individual items, instead of treating overhead as a lump-sum deduction from total revenue, removes a valid cost from the operating statement—thereby overstating income and giving a deceptive picture of the firm's performance. And what, after all, is the basic purpose of income determination? The primary use of income data is to evaluate the firm's performance; erroneous income information makes this impossible.

I have said very little that is new. These matters have been considered in the various accounting journals and the economic literature.<sup>7</sup> And what is most disturbing is that though this subject is being discussed continually, though the shortcomings of the traditional treatment of overhead are clear, yet nothing happens. It is my feeling that the time has long since past when all accounting systems and accounting teachers should begin to apply revised costing techniques which correct the deficiencies.<sup>8</sup> The number of firms that have as yet done this is far too small; and even in these firms there is probably still considerable room for improvement.

<sup>7</sup> Standard textbook treatments may be found in Joel Dean, *Managerial Economics* (New York, 1951), and Oxenfeldt, *Industrial Pricing*. The pioneer work is *Cost Behavior and Price Policy* (New York, 1941) by the Conference on Price Research, National Bureau of Economic Research.

<sup>8</sup> It is recognized that accounting practices must also provide necessary information for tax purposes. The burden of this discussion is that such information is often irrelevant for other purposes of management.

# Extraterritorial Jurisdiction as an Approach to Suburban Problems of Small Cities

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## I

EVALUATION of possible solutions to suburban problems must necessarily rest on some assumption as to over-all objectives in an urban area. From the point of view of governmental organization, the most common assumption calls for a single unit of government over an entire metropolitan area or urban agglomerate. This is the most advanced position of the metropolitan integrationists. Another view would retain both county and city as overlying units. Some see a need for diversity within unity under a federated city government. The present discussion assumes the need for a high degree of integration of government in an urban area and seeks to suggest the utility of extraterritorial jurisdiction in promoting it.

For this purpose it is necessary to distinguish between the area within a municipal boundary and that outside area which is a part of it, designated variously as the "economic city," the "built-up city," or the "urban agglomerate." This outside area, part of the real city, is here called the "fringe area."<sup>1</sup>

A generalized discussion of extraterritorial activity will first be given, followed by recent evaluations of the device. The unique pattern of extraterritorial jurisdiction in Alabama will then be discussed. The concluding

NOTE.—This article is based on a paper prepared for presentation at a panel of the Southern Political Science Association in Gainesville, Florida, November 5, 1953.

<sup>1</sup> For other uses of the terms "fringe area," "urban fringe," or "rural urban fringe," see Queen, Carpenter, McCain, Burnight, Hatt, Blizzard, Angell, and Lively, "The Sociological Significance of the Rural Urban Fringe," *Rural Sociology*, XVIII (June, 1953), 101; Richard B. Andrews, "Elements in the Urban Fringe Pattern," *Journal of Land and Public Utility Economics*, XVIII (May, 1942), 169; George S. Wehrwein, "Rural Urban Fringe," *Economic Geography*, XVIII (July, 1942), 217; William F. Anderson, "A Method for Delineating the Rural Urban Fringe Surrounding Small Cities" (master's thesis, Pennsylvania State College, 1951); Walter Firey, "Ecological Considerations in Planning for Urban Fringes," *American Sociological Review*, XI (August, 1946), 411; J. A. Beegle, "Characteristics of Michigan's Fringe Population," *Rural Sociology*, XII (September, 1947), 255.

section suggests the utility of extraterritorial jurisdiction as a method by which cities can deal with fringe areas.

## II

A primary factor conditioning the use of extraterritorial powers by cities is necessarily the nature of the grant of power by the state to the city.<sup>2</sup> While several state courts have upheld the exercise of a few extraterritorial powers as powers implied from specific grants (such as the power to go outside the city for water supply and sewage disposal), by far the greater body of extra-mural activity is based on specific statutory authorization to perform the function in question outside the city limits. Virtually the only significant municipal power which has not at one time or another been granted some city for extraterritorial use is the taxing power. Most cities, however, do not have a wide range of outside activities which they are authorized to perform. The majority of cities are limited to rendering certain municipal-type services to outside areas. Most commonly these are water supply, sewage disposal, and fire protection. A growing number of states have authorized their cities to engage in certain regulatory activities in the fringe area, most notably in zoning and subdivision control.<sup>3</sup> One of the most unique grants of extra-territorial authority enabled Cincinnati to establish the Cincinnati Southern Railroad, which is still owned by that city and runs as far south as Chattanooga.

The actual practice of extraterritorial jurisdiction has not yet been systematically explored in most states, though enough data are at hand to suggest some general tendencies. The great majority of cities provide fire-protection services to fringe areas. A large number provide water to outside areas, and a somewhat smaller number provide some sewage-disposal service

<sup>2</sup> For discussions of the legal powers which cities may exercise in the fringe area, see William Anderson, "The Extraterritorial Powers of Cities," *Minnesota Law Review*, X (1926), 475, 564; Winston Crouch, "Extraterritorial Powers of Cities as Factors in California Metropolitan Government," *American Political Science Review*, XXXI (April, 1937), 291; Eugene McQuillin, *Law of Municipal Corporations* (3d edition, 1949), Vol. VI, chap. 24; "Municipal Corporations," *Corpus Juris Secundum*, Vol. LXII, Sec. 141, and Vol. LXIII, Sec. 952; Robert T. Daland, "Legal Framework of City-Fringe Relations," *Municipal Fringe Area Problems in Alabama*, Bureau of Public Administration (University of Alabama, 1953), 5-9. The last work is cited hereafter as "Legal Framework."

<sup>3</sup> In 1952, the American Society of Planning Officials reported that extraterritorial zoning authority had been granted some or all cities in Kentucky, Nebraska, Tennessee, West Virginia, Indiana, Alabama, North Carolina, and South Carolina. In 1944, twenty-eight states were reported as authorizing extraterritorial subdivision control for some of their cities.—*Hearings before Subcommittee on Housing and Redevelopment of the Senate Special Committee on postwar economic policy and planning, 79th Cong., 1st sess., Post-War Economic Policy and Planning: Housing and Urban Redevelopment*, 1348.

to built-up parts of the fringe area.<sup>4</sup> Outside electric power and gas supply by municipally owned utilities is not uncommon. Outside police protection is a unique characteristic of Alabama cities, though in many other states police radio-communication for an entire urban area has been provided by the central city. Betty Tableman reports that twenty-three of thirty metropolitan areas receive this service from the central city.<sup>5</sup> Library, recreation, and public-health services, including garbage collection, are sometimes supplied to the fringe area. On occasion, cities have been reported to supply transportation, drainage, street construction, and street-lighting service to some portion of the fringe area.

Many cities not only provide services to the fringe area, but a growing number regulate certain aspects of fringe development. Some cities, as those in California, extend their master plans beyond the city limits. In California, Alabama, Texas, and perhaps other states, a few cities exercise control over subdivision of land in the fringe area. Thirty-three cities were reported in 1952 as exercising extraterritorial zoning authority.<sup>6</sup> Indianapolis has recently been given extraterritorial smoke-control authority for four miles outside the city limits.

Although the amount of municipal services and regulation in fringe areas seems to be growing, there remains a large number of cities where little or no extraterritorial activity is conducted.

Some commentators have expressed a dim view of the utility of extraterritorial jurisdiction as a solution to urban area problems. For instance, Victor Jones has said that "the value of extraterritorial powers and services as an integrative device is very limited."<sup>7</sup> His judgment is based on (1) the problem of jurisdictional disputes between nearby cities, with both exercising jurisdictional powers; (2) the inadequacy of the buyer-seller relationship in respect to services provided, and (3) the fact that the provision of services by the city discourages annexation. Betty Tableman is somewhat more optimistic, saying in effect that service from the city to fringe areas is the most economical and valid solution to the fringe problem provided the

<sup>4</sup> The International City Managers' Association survey for 1952 showed that of the cities reporting which were over ten thousand in population, 68 per cent provided outside fire protection, 38 per cent provided outside water supply, and 22 per cent provided outside sewage-disposal service.—*Municipal Yearbook, 1953*, pp. 287, 371.

<sup>5</sup> *Governmental Organization in Metropolitan Areas*, Bureau of Government (University of Michigan, 1951), 39, cited hereafter as *Governmental Organization*.

<sup>6</sup> American Society of Planning Officials, "Extraterritorial Zoning," *Planning Advisory Service Information Report No. 42* (September, 1952).

<sup>7</sup> "Local Government Organization in Metropolitan Areas: Its Relation to Urban Redevelopment," in Coleman Woodbury (ed.), *The Future of Cities and Urban Redevelopment* (1953), 531.

city takes an "area-wide" view in establishing its policy.<sup>8</sup> She adds, however, that such a view is rare.

It should be noted that both of these opinions are based on studies of metropolitan areas only. As compared with cities in general, such areas are atypical in at least two respects. First, most metropolitan-area central cities are plagued with the existence of highly complicated geographical relationships with satellite cities, sometimes in large numbers. Second, the buyer-seller relationship in the case of large cities is commonly maintained with other cities or local units, not with individuals. Neither of these conditions is true of a very large number of smaller cities. While the judgments cited may be perfectly valid for metropolitan areas, they are not necessarily applicable to the great majority of American cities.

If extraterritorial power can be used to prevent metropolitan diseases from developing in the first place, if it can be used to prevent unregulated growth and satellitism, a most useful purpose will be served. Many a preventive medicine has no utility whatever as a cure. In the South there is still the opportunity, in most areas, to determine the course of a metropolitan development which may be in its infancy.

### III

It is very likely that in Alabama the municipalities have exercised more extraterritorial powers than in any other state. Since Alabama is still predominantly a rural state, though her cities are undergoing rapid growth, this development may be of particular interest as a case study in the use of such powers for urban integration. While the use of extraterritorial powers as an integrating device has been considered in many studies of individual metropolitan areas, its use in submetropolitan urban areas has not been systematically analyzed. Of particular interest should be the utility of this device by smaller cities having no satellite incorporations, and having the power to exercise a full complement of extraterritorial powers. All Alabama cities, with the exception of Birmingham, fall within this category.<sup>9</sup>

Alabama cities can provide nearly every important municipal service to fringe areas on the basis of explicit statutory authorization. In the case of fire protection, the legal basis is not entirely clear, though the practice is extensive. Most Alabama cities provide between 10 and 20 per cent of all fire service to outside areas, and some provide county-wide service. Seventy-five per cent of Alabama's cities provide water to fringe areas. Of the cities with municipally owned electric power and gas utilities, virtually all provide

<sup>8</sup> *Governmental Organization*, 134.

<sup>9</sup> The material on which this section is based is contained in Daland, "Legal Framework."

outside service, varying from small amounts to over 60 per cent of all service rendered. Relatively few Alabama cities provide outside sewage disposal, garbage collection, street lighting and marking, drainage, recreation, and library service. Prior to 1953 cities could not construct streets outside the city limits, but the 1953 legislative session authorized cities over six thousand not only to construct streets outside the city, but to assess the cost against neighboring property.<sup>10</sup> Cities have not yet acted under this rather unusual law, though there are indications that some soon will.

The uniqueness of Alabama's outside municipal activity, however, lies in the authority of cities to exercise the general police power of the city in an area which extends three miles beyond the city limits for all cities over six thousand population, and a mile and a half beyond the limits of smaller places. In practice, this has meant that cities enforce such police and sanitation ordinances as they choose in this area, known as the "police jurisdiction." Regular police protection is normally provided, though often less fully than in the city proper. Of particular significance is the right to enforce building standards in a fringe area which may sometime become a part of the city. Most Alabama cities do not take advantage of this opportunity, though a few do require permits for construction in the police jurisdiction and enforce the building code just as in the city itself.

The police power which may be exercised in the police jurisdiction includes the authority to levy substantial business licenses on all the kinds of businesses required to have the licenses in the city itself. This includes most kinds of commercial and industrial activity. Under Alabama law, business licenses may be levied for both regulatory and revenue purposes. Accordingly, the legislature has provided that in the police jurisdiction such licenses may be levied at no more than half the rate applied in the city proper. This was apparently done on the theory that it would prevent the outside levy from taking on the aspect of a tax. The Alabama Supreme Court has repeatedly approved the outside levy. Eighty per cent of Alabama cities are currently acting under this authority. The income from these licenses runs as high as 33 per cent of the general fund in one city, though the average of all cities is about 2 per cent of municipal general funds.

In the planning and physical development field, the legislature has supplemented the basic extraterritorial police power by authorizing cities which organize planning commissions to plan, zone, and control subdivisions for a distance of five miles beyond the city limits. A new act passed during the 1953 session confers the power to enforce airport zoning within the police jurisdiction, and, in addition, to zone within two miles of municipally owned

<sup>10</sup> *General Acts of Alabama, 1953*, No. 884, approved September 24, 1953.

or operated airports, wherever they may be located if in unincorporated territory.<sup>11</sup> More than 20 per cent of Alabama cities actually exercise outside zoning authority, but usually only within the police jurisdiction, and more than 30 per cent control subdivision within this area.

In Alabama, the use of this well-filled reservoir of extraterritorial powers has not always been directed toward the integrated and enlightened development of the entire community aggregate. Alabama's experience does suggest, however, a certain utility for such powers in solving a number of thorny problems of urban growth.

A fringe area may actually be governed in a thoroughgoing manner by the exercise of the kinds of powers available in Alabama. Growth may be planned, and the plan may be effectuated through zoning, subdivision control, and building regulations. Housing standards may be controlled. The normal complement of municipal-type services may be provided. The area may be policed, and municipal ordinances of a regulatory character may be enforced. The cost of water, power, gas, and fire-protection services may be collected in the area, possibly at rates in excess of those charged in the city. The costs of regulatory activities may be collected through the business licenses which may be levied in the police jurisdiction. If there are few businesses in the area, or if the city chooses to restrict them to the city through zoning, fringe residents may be reached through municipal taxes on gas, tobacco, and liquor, or sales.

The kind of policy just outlined has two immediately noticeable defects. It could eventually lead to the governing of large urban areas by governments in which many of the people affected are not represented. In at least two Alabama cities, Huntsville and Lanett, there is a larger population being served in the fringe area than in the city itself. The long-run consequences of this situation, in terms of local politics, citizen initiative, and civic pride, might tend to annul the gains made through integrated governance.

In addition to this disability, which concerns the fringe-dwellers rather than those living in the city proper, the policy just suggested might well tend to discourage any move for eventual annexation. The extensive literature on annexation, especially the recent work of Bollens,<sup>12</sup> shows that the desire for municipal-type services otherwise unavailable is the primary factor in successful annexations. Moreover, under existing annexation procedures in most states, the attitude of the people living in the area to be annexed usually determines the outcome of an attempted annexation, whether a successful

<sup>11</sup> *General Acts of Alabama, 1953*, No. 730, approved September 22, 1953.

<sup>12</sup> See John C. Bollens, "Elements of Successful Annexations," *Public Management*, XXX (April, 1948), 98; *ibid.*, XXXI (April, 1949), 98; *ibid.*, XXXII (March, 1950), 50; *ibid.*, XXXII (April, 1950), 76; *ibid.*, XXXIII (June, 1951), 126.

or unsuccessful attempt. Where a city, then, provides such services to outside areas, the strongest pressure toward successful annexation is automatically eliminated.

It has been the experience of several Alabama cities, as well as of cities elsewhere, that the provision of outside service has successfully forestalled incorporation, while at the same time it tended to prevent annexation. It is suggested that this dilemma may be resolved if extraterritorial powers are carefully employed, and if they are exercised in combination with a carefully planned municipal annexation policy. Thus, extraterritorial action can be used as an interim device pending annexation, not only to forestall separate incorporation, but to apply pressure toward annexation.

The experience of two Alabama cities is suggestive. Both have exercised most of the extraterritorial powers available under Alabama law. Gadsden has exercised extraterritorial powers with the single exception of the power to supply water outside the city limits. The desire for water, coupled with a positive annexation program, has been sufficient to assure annexation of virtually the entire built-up area adjacent to the city. Huntsville, on the other hand, has provided—sometimes free, as in the case of fire protection and street lighting—the entire range of municipal services. Utilities are provided at no additional cost. In an annexation election which, if successful, would have more than doubled the area and population of the city, annexation was decisively defeated during the summer of 1953.

#### IV

It has been suggested above that the exercise of extraterritorial jurisdiction, as an aspect of a planned, positive annexation program, may well prove to be a method by which small but expanding cities can avoid the more serious consequences of peripheral growth. In most states this course would require the development through legislation of a new policy toward cities, a policy that would reverse the present method, in most areas, whereby the question of annexation is determined by the residents of the areas to be annexed. It would give the central city the initiative in promoting governmental integration of the entire urban area, rather than relying on accidents of history or on the illusion that diverse interests will co-operate simply by virtue of participating in a common problem. It would rest on the assumption that a sound state policy as to local government structure is a higher value than that of self-determination for small enclaves within a single urban area.

This approach bears some resemblance to the Texas method of annexation by home-rule cities, which has led to such recent success as the eighty-square-mile annexation to San Antonio in 1952 and the seventy-nine-square-mile annexation to Houston in 1949. In Texas, however, annexation can occur in

spite of the opposition of the residents of the area to be annexed. The plan suggested would presumably require consent of the area in question, but it would give the city the means of preventing incorporation and of governing the fringe area on a transitional basis while at the same time holding out certain inducements to annexation.

All three of these elements of the plan have been used independently. In a recent action the Indiana Legislature gave Indianapolis the power to veto any proposed incorporation within the three miles of her corporate limits.<sup>13</sup> The extensive use of extraterritorial powers for transitional government of fringe areas in Alabama has been noted above. These powers may also be used to discourage incorporation by providing the services which incorporation is designed to achieve. Inducements to annexation have included surcharges for outside services and the withholding of outside services.

In order to carry out such a program, the use of extraterritorial jurisdiction should be designed to complement a planned, explicit annexation policy. Bollens has shown that most of the recent major annexation successes have come in cities with such a policy.<sup>14</sup> Cities such as Milwaukee, Sacramento, Dallas, and a number of others have continuing annexation programs. Milwaukee even has a Department of Annexation. Such cities employ research and public relations techniques as a basis for their programs. Annexation is "sold" positively to fringe-dwellers. A major part of the annexation policy has frequently included an effort to annex areas prior to urban development therein. This not only forestalls much of the opposition to annexation, but allows the city to extend expensive municipal services gradually as city growth occurs, rather than in large installations as built-up areas are annexed.

To complement the annexation program, extraterritorial controls over the physical development of the city, including building codes, plans, zoning, and subdivision regulations might be energetically applied as far out as prospects for municipal development are seen. This would not only control growth of an area which one day would become part of the city, but would tend to prevent suburban developments and incorporations where the object is solely to avoid such types of regulation. Municipal services, including police and fire protection, water supply, sewage disposal, and other municipal utilities, would be extended only so far as necessary to forestall incorporation, but would be withheld to the extent necessary to maintain pressure for annexation. Some system of surcharges might serve the latter purpose. Alternatively, one major service might be held for intracity use only. Water supply or fire protection would serve this purpose well. Such cities as Denver

<sup>13</sup> Cited in *Public Management*, August, 1953, p. 183.

<sup>14</sup> See n. 12.

have actually been able to levy an annexation charge on property due to the high demand for services available in the city only.

Some program such as that outlined above may well prove useful for small but growing cities, if tried in time. But for the larger metropolitan areas, with their satellite cities, special authorities, and joint undertakings, extraterritorial jurisdiction offers little more hope for the future than annexation and consolidation have in the past.

# The Significance and Development of Economic Institutions in Archaic Greece

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## *Introduction*<sup>1</sup>

ECONOMIC SYSTEMS can be classified according to their integrative patterns, that is, according to the manner in which societies integrate the production and distribution of goods and services of the individual members of those societies. One such pattern may be termed "reciprocity." Since a definite type of structure is necessary for any integrative pattern to assert itself, reciprocity involves a symmetrical structure pattern, in which there is reciprocal gift and counter-gift exchange among kinship, geographical groups, and other groups.<sup>2</sup>

A second type of integration is one that involves a centralized structure pattern, in which the goods produced are collected, turned over to some central authority for storage, and eventually redistributed, either on the basis of religious and conventional values or by arbitrary judgment. Such an economy may be classified as a "redistributive economy."<sup>3</sup> A third form of integration is that of exchange, which involves some kind of market structure. A market system is an economy in which the production and distribution of goods and services are controlled, regulated, and directed solely by markets.

Historically, such integrative patterns as reciprocity and redistribution, on the one hand, and exchange, on the other, have been found to be institutionally distinct and to have had quite different economic and social conse-

<sup>1</sup> At the outset, the writer wishes to express his indebtedness to Professor Karl Polanyi, formerly of Columbia University, for first calling attention to the theoretical constructs employed in this paper, as well as for directing his researches to the study of primitive and ancient societies.

<sup>2</sup> An excellent illustration of gift and counter-gift exchange is to be found in B. Malinowski's, *Argonauts of the Western Pacific* (London, Routledge & Kegan Paul, Ltd., 1922). See especially ch. 3, entitled "The Essentials of the Kula."

<sup>3</sup> In those primitive and ancient societies where both types are found together, redistribution usually has been the internal integrative pattern, reciprocity the external.

quences.<sup>4</sup> Likewise, the role and functions of money and trade have been quite different in reciprocity and redistributive economies than they have been under a market system. This paper will attempt briefly to indicate: (1) the economic and social significance of the redistributive and reciprocity economy of ancient Greece, and (2) its relationship to money and trade in the absence of a market economy.

### *Homeric Greece*

During this period, Hellas had no settled population. Migrations were frequent occurrences, the several tribes readily abandoning their homes under the pressure of superior numbers and conquest. Without commerce, without freedom of communication either by land or sea, cultivating no more of its territory than the exigencies of life required, Hellas lived in an atmosphere of perpetual fear and uncertainty. Attica, on the other hand, enjoyed immunity from repeated invasion due to the poverty of its soil. The clue to the understanding of ancient Greece lies in the fact that "the background and the basis of politics and economics in antiquity was force."<sup>5</sup>

During this period of antiquity, political organization centered around the tribal collectivity. The tribal organization of ancient Greece was a stratified one, due to successive conquests of the native population by marauding tribes, with the leading part in the life of each clan played by the aristocracy. The general population was divided from one another by occupation and social position. During the early Homeric period, most of the land was supposedly held in common, and there were some slaves—primarily those vanquished in battle—though not nearly so many as is commonly supposed.<sup>6</sup>

Agriculture and stock-raising were the main occupations of the Homeric Greeks, cattle, swine, sheep, and goats being the common animals. To own horses was a privilege of the rich and noble families. Most of the necessities were produced directly in the household, domestic manufacture supplying not only food, but clothes, furniture, agricultural implements, and footgear. The whole family worked, and such work carried with it no invidious distinctions and no humiliation.<sup>7</sup> The slaves and houseless hired-servants, who

<sup>4</sup> Karl Polanyi, *The Great Transformation* (New York, Rinehart & Co., Inc., 1944).

<sup>5</sup> Johannes Hasebroek, *Trade and Politics in Ancient Greece* (London, G. Bell and Sons, Ltd., 1933), trans. L. M. Fraser and D. C. Macgregor, vii. Cited hereafter as *Trade and Politics*.

<sup>6</sup> Gustave Glotz, *Ancient Greece at Work* (New York, Alfred A. Knopf, Inc., 1926), 16-23. Cited hereafter as *Ancient Greece*.

<sup>7</sup> Even the nobility worked and were proud of their skills and accomplishments. Thus, Odysseus challenges a comrade as follows: "Eurytmachus, would that there might be a trial of labour between us twain, in the season of spring, when the long days begin! In the deep grass might it be, and I should have a crooked scythe, and thou another like it, that we might try each of the other in the matter of labour, fasting till late eventide, and grass there should

formed a part of the household as a social and productive unit, received treatment that was modified by custom and religion.<sup>8</sup>

The political system of antiquity was composed of separate kingdoms, ruled over by kings who relied upon the armed force of the clan, especially upon the richest and strongest of the clan families. However, the commoners were not the slaves of their king and the aristocracy. They acknowledged the superiority of their leaders but did not accept a slave-owner relationship, and they made their voices heard in the tribal council.<sup>9</sup>

Reciprocity and redistribution were the integrative patterns cementing the ties of tribal society. Gift and counter-gift exchange, forming the chief basis of external or foreign trade, was restricted to the king, the tribal chiefs, and the gods' households, or temple aristocracy. This honorific form of trade was never the source of earning a living.

Redistribution was an internal matter and land was reallocated periodically, as in the Sumerian *kur*, or collectivity. Booty from armed forays was also redistributed among the members of the clan, as was silver from the clan-owned mines. The market as an economic institution was notable only for its absence during this period of Greek antiquity.

It remains to be seen how wealth, as measured in cattle, slaves, and treasure—weighed and precious metals, shaped in the form of utensils and tools—was obtained, and how this wealth, especially treasure, was translated directly into power and then indirectly into means for organizing and directing economic life.

Treasure could be circulated only among the elite, that is, as a gift to a king, to tribal chieftains, and to the temple aristocracy, or gods' household, the nonaristocratic strata of the population being denied its use. Treasure was obtained mainly by political coercion rather than through peaceful economic accumulation. As stated previously, the key to ancient society lay in the use of force, and treasure was obtained through forays by land and piracy by sea.<sup>10</sup> This treasure was then used to obtain allies for further warlike expeditions through the giving of gifts and bribes. Thus, Agamemnon, during the period of the Trojan War in the thirteenth century B.C., having inherited the vast wealth and, therefore, power of his original forebear, Pelops, was

be in plenty. Or would again, that there were oxen to drive, the best there may be, large and tawny, both well filled with fodder, of equal age and force to bear the yoke and of strength untiring! And it should be a field of four ploughgates, and the clod should yield before the ploughshare. Then shouldest thou see me, whether or no I would cut a clean furrow unbroken before me."—Homer, *The Odyssey* (New York, The Macmillan Company, 1930), trans. Butcher and Lange, 283.

<sup>8</sup> Mikhail Rostovtzeff, *A History of the Ancient World* (Oxford, Clarendon Press, 1926), trans. J. D. Duff, I, 185. Cited hereafter as *History of the Ancient World*.

<sup>9</sup> G. W. Botsford, *Hellenic History* (New York, The Macmillan Company, 1939), 34.

<sup>10</sup> Glotz, *Ancient Greece*, 48-49.

able to succeed in collecting an expedition against Troy by offering gifts and bribes to his fellow chiefs, especially the Arcadians, to follow him into battle.<sup>11</sup> Similarly, he was willing to offer Achilles, if he re-entered the fray, seven well-built cities in which dwelled men who "will honor him with gifts as though he were a god, and be obedient to his comfortable ordinances."<sup>12</sup> Through the use of this treasure, Agamemnon also was enabled to build a far stronger navy than any of his contemporaries, his being the largest contingent in the Trojan War.

Thus, treasure was directly translated into power. It was employed for gifts and bribes, and the power obtained was made the basis for further conquests and tributes. Most of the booty seized was reallocated among the tribal members, thus ensuring a solidification of clan loyalties. The indirect economic effects resulting from the ownership of treasure were as follows: (1) With power came taxation of the subject people in the form of gifts of all kinds—cattle and staples, as well as treasure. (2) Superfluous treasure in the form of gold and silver was used to cover and adorn temples, walls, and battlements. It was not minted for commercial purposes. (3) Taxation staples were distributed to the communal labor force that then built such collective works as canals, temples, fortifications, etc. Skilled artisans were employed for specialized purposes and were directly attached to the king's and chiefs' households and given staples as payment for their services. (4) Treasure also was used to obtain land for the collectivity. There was no individual purchase or sale.

Money was not used as a means of exchange, since no market was in evidence in Greece during this period. Rather, money in the form of gifts, tributes, and tithes was used as a means of payment by the conquered peoples to the victorious chiefs.<sup>13</sup> Such fungible goods as corn, oil, and wine as were obtained were stored and then redistributed to the chief's retainers and mercenaries, after which the remaining surplus was divided among the collectivity. Hence, economic integration was achieved in Homeric Greece through the institutions of reciprocity and redistribution.

### *Archaic Greece*

By the time of Hesiod, around 800 B.C., a loosening of clan ties is discernible.<sup>14</sup> Tribal provision for social needs gives way to a concern for the

<sup>11</sup> Thucydides, *The Peloponnesian War* (New York, Random House, 1942), trans. Benjamin Jowett, Bk. I, pp. 570-71.

<sup>12</sup> Homer, *The Iliad* (London, William Brendon & Son, Ltd., 1936), trans. Samuel Butler (1833-1902), 136.

<sup>13</sup> *Ibid.*, 406-407.

<sup>14</sup> Humphrey Michell, *The Economics of Ancient Greece* (New York, The Macmillan

individual's economic future. Ideas of individual work and thrift now become paramount. Hesiod is the official recorder of the detribalization of clan life. For the first time, the grim specter of *individual* hunger makes its appearance on the stage of history.<sup>15</sup> Redistribution and reciprocity on the basis of clan life disappear, and a famine atmosphere prevails. Hesiod mentions the increase of debt and the buying and selling of land; begging becomes a daily feature of Greek life. In Hesiod's account of these major transitional changes, we observe the rise of individualism and the new stress upon hunger as an individual burden. Work now brings with it wealth and prestige, and the peaceful nature of wealth is stressed in opposition to the obtaining of treasure through war, force, piracy, fraud, etc. Some selected quotes from Hesiod may best illustrate the momentous nature of this transitional period in Greek history. He states:<sup>16</sup>

For when he that hath no business looketh on him that is rich, he hasteth to plow and to plant and to array his house; and neighbor vieth with neighbor hasting to be rich; good is this Strife for men.

Little time hath he for wrangling and contention, who hath not laid up at home store of food for the year, the seasonable fruits of the earth, Demeter's grain.

Best is that man who thinketh on all things for himself, taking heed to that which shall be better afterward and in the end.

For hunger is altogether meet companion of the man who will not work.

By works do men wax rich in flocks and gear. . . . Work is no reproach: the reproach is idleness . . . on wealth attend good and glory.

Wealth is not to be seized violently: god-given wealth is better far.

Neither put off till the morrow nor the day after. . . . Dilligence prospereth work, but the man who putteth off ever wrestleth with ruin.

I bid thee take heed to the solving of thy debts and the avoidance of hunger.

Work, foolish Perses, the works which the gods have appointed unto men, lest one day with wife and children in anguish of soul thou seek livelihood among thy neighbors and they regard thee not.

The loosening of clan ties is further reflected in the legislation of Draco.<sup>17</sup>

Company, 1940), 40. As in Rome and Israel, conquests, wars, overpopulation relative to the available food supply, and colonization appear to be the major reasons for the disintegration of clan ties in archaic Greece.

<sup>15</sup> Prior to this time, Greek tribes were faced with submarginal conditions of existence but, by and large, hunger and starvation were social, not individual, matters of concern.

<sup>16</sup> *Work and Days* (London, Macmillan & Company, Limited, 1934), trans. A. S. Way, 1-25.

<sup>17</sup> The traditional date of the Draconic legislation is 621 B.C.

Private redistribution within the individual household only is substituted for the tribal economy of Homeric Greece, and social tensions between the rich and poor steadily accumulate as the individual is left increasingly to his own devices. Loans are secured on the debtor's person, and the land is owned and controlled by a minority.<sup>18</sup> By the end of the seventh century B.C., the poor are well on the way to becoming the serfs and slaves of the rich.

One of the city-states about which we know a great deal during this classical period is Athens. Ownership of real property and political rights was confined to Athenian citizens. The peasantry formed the basis of this citizenry and cultivated the fields. Power was in the hands of the city and the large and wealthy landowners, who were free to devote themselves to political affairs. The rulers of the community, chosen from among the members of the ruling aristocracy, consisted at first of the king, who was also the chief priest; the polemarchs, who commanded the armed forces; and, finally, the archons, who represented civil authority. About 700 B.C., the king began to lose all political importance, retaining only his religious functions. Power was concentrated almost exclusively in the hands of the polemarchs and archons. The tenure of the latter, which had been permanent, now became limited. Eventually it became customary to hold office for only one year.<sup>19</sup> With the further passage of time, magistrates were elected, laws passed, and perhaps decisions on war and peace taken by the popular assembly, which consisted of all citizens with full rights. Together with the magistrates, there acted a council of elders, the chief body of the state for political, religious, and judicial business.<sup>20</sup>

The new political and social division of the population now consisted of four socio-economic groups: the large landowners; the smallholders; a small group of traders, or metics, who were foreigners and, at this time, excluded from citizenship and the ownership of real property; and the thetes, who lived by their labor and possessed no definite and regular income.<sup>21</sup> During this period the political rights and military duties of each citizen began to be reckoned not by birth but by property. Aristocracy, then, gave way to timocracy.<sup>22</sup>

At the same time that these political and social changes were taking place, owners of vineyards and olive groves began to make their appearance, and the population of the city increased. The position of the smallholders con-

<sup>18</sup> Aristotle, *Constitution of Athens* (New York, Hafner Publishing Co., Inc., 1950), trans. K. von Fritz and E. Kapp, 72. Cited hereafter as *Constitution of Athens*.

<sup>19</sup> Botsford, *Hellenic History*, 73.

<sup>20</sup> The latter was called the "Areopagus," after the hill on which the meetings were generally held.

<sup>21</sup> The latter two classes were relatively unimportant during this phase of Greek history.

<sup>22</sup> Rostovtzeff, *History of the Ancient World*, 216.

tinued to deteriorate until eventually they were deprived not only of their property, but, through the harsh law of debtor and creditor, of their freedom. Many escaped this fate by becoming tenants on the land which had once belonged to them. The lease conditions were harsh, and the steadily growing discontent of the lower classes began to take acute form.<sup>23</sup>

The social catastrophe caused by the institution of debt slavery highlighted not only the transition from tribal to individual responsibility, but also the fact that this social stasis was of comparatively recent vintage and not to be accepted as an enduring feature of Greek life. Alongside of debt bondage was the immediate threat of famine, caused by an oligarchy's shifting from the cultivation of corn to olive-growing and paying for its passive trade through the exporting of the former, as well as by a continuous over-growth of population relative to the food supply. Thus the constant threat of individual and mass starvation. With the detribalization of social life, there was no longer any central agency to look after the welfare of the individual members of the collectivity.

Aristotle throws a great deal of light on the state of affairs existing in Athens at this time. He states: ". . . there was civil strife for a long time between the nobility and the common people. For the whole political setup was oligarchical and, in particular, the poor together with their wives and children were the slaves of the rich."<sup>24</sup> If tenants failed to pay their rent, they were liable to slavery, as were their children. They were forced to pay their wealthy creditors one-sixth of the produce.

The attempt to remedy this situation is reflected in the Solonic reforms of 594 B.C., though these were clearly middle-of-the-road in character and did not solve the basic dilemma caused by the change from tribal to individual responsibility. The most important of these reforms were the following:<sup>25</sup>

- (1) All loans on the security of the debtor's person were prohibited.
- (2) All existing debts, both public and private, were canceled.
- (3) Trade was given an aura of respectability and the immigration of the metics was encouraged.
- (4) Exportation of corn was prohibited. In fact, only oil was permitted to leave the country.
- (5) The population was divided into four classes, based upon ownership of property.
- (6) Offices were distributed in proportion to the value of each class's property.
- (7) The thetes and serfs were given places in the Assembly and on juries, though they were not eligible for office.
- (8) All of the Draconian laws, except those concerning homicide, were repealed.

The Solonic reforms satisfied neither the rich nor the poor. The rich lost a great deal of revenue and social power, while the poor, still living in the

<sup>23</sup> *Ibid.*, 218.

<sup>24</sup> *Constitution of Athens*, 69.

<sup>25</sup> *Ibid.*, 73-77.

tradition of tribal responsibility, had expected the entire land to be reallocated among them.<sup>26</sup> The way out of the social stasis awaited the rise of the *tyrannoī*.

Peisistratus, the first tyrant of Athens, solved the social crisis of the period by establishing a central administration in which national redistribution was taken over by the city-state and the welfare of its displaced and poorer citizens provided for. Also, the workers and bureaucracy were fed, and the police and mercenaries maintained. Peisistratus exiled the most important noble families, confiscated their lands, and distributed them among the landless. He imposed a tax on the land of one-tenth or one-twentieth of the produce, using the receipts to advance money to the new smallholders. As a result, the yield of the land was increased. He also furnished employment for the city poor by a program of extensive public works. After his death, his sons, Hippias and Hipparchus, governed in the same way.<sup>27</sup>

The role and functions of trade during this period have been much misunderstood by some modernists who have assumed that foreign trade played a most important part in the economy of archaic Greece. This assumption is not at all correct inasmuch as trade at this time "was relatively primitive and the current view is mistaken which takes trade to have been a preponderant factor in politics and political life."<sup>28</sup> The so-called "commercial" policy of the Athenian State was not concerned with trade but with the supply of necessities, such as grain and timber, and with the enrichment of the treasury by means of tolls and duties. In the latter connection, the trade of other city-states was blocked by the Athenian Navy until tribute was paid. As Hasebroek puts it: "At no time in the history of Greek independence did the State concern itself with the protection or development of citizen industry by a policy of capturing and maintaining markets at home or abroad."<sup>29</sup>

Nor is the approach correct that looks upon the foreign trade that existed at this period in terms of a market mechanism around which it was organized. There was world trade, to be sure, but there was no world market. Due to the insecurities of the times, there were no organized trading arrangements. There were the uncertainties attendant upon the unloading of supplies at

<sup>26</sup> *Ibid.*, 78. See also Plutarch's description of Solon in his *Lives* (New York, Modern Library), trans. John Dryden, 106.

<sup>27</sup> Aristotle, *Constitution of Athens*, chaps. 15-17; see also J. B. Bury, S. A. Cook, F. E. Adcock (eds.), *The Cambridge Ancient History* (New York, The Macmillan Company, 1926), IV, 65-66. Aristotle further demonstrates how, through the Delian League, the tributes and taxes of Athens' allies maintained the Athenian citizens. A partial listing follows of how such tributes and taxes were redistributed among the Athenian citizenry: They were used to maintain six thousand jurymen, sixteen hundred bowmen, twelve hundred cavalrymen, five hundred members of the council, five hundred guards of the dockyards, seven hundred state officials at home and an equal number abroad.—*Constitution of Athens*, 94.

<sup>28</sup> Hasebroek, *Trade and Politics*, vii.

<sup>29</sup> *Ibid.*, vii.

some foreign harbor and of not receiving desired goods in return. The modern approach is astigmatic in so far as it envisages foreign trade in terms of a market system. While there always has been foreign trade, there has not always existed a market economy. This is very true for archaic Greece.

Down to the seventh century B.C., money was simply weighed, not coined.<sup>30</sup> The richer classes of the Athenian citizenry used money to make loans to their poorer neighbors in agriculture and as a means of investment. They commissioned the metics, who had no accumulated capital of their own, and exacted substantial interest in return. However, they took no part in trade voyages nor in commerce, considering such occupations inferior.<sup>31</sup> The rich citizen was a large landowner, citizenship being, in fact, dependent upon the ownership of land. The policy of the city-state was political, not commercial. Markets were not sought to enhance commercial power. Rather, advantages were obtained by the familiar use of force and fraud.<sup>32</sup>

Before the sixth century B.C., money remained largely unconnected with either foreign or domestic trade. It was employed primarily as a means of payment and as a standard of value. Even later, the *tyrannoī* used coined money as a means of payment and as an accounting device in the payment of taxes and tribute. In the latter function, it served as a common denominator in equating the different goods offered as tithes and tribute.

By the middle of the sixth century B.C., however, the agora, or local market, had begun to make its appearance in Athens. It is spoken of by Herodotus<sup>33</sup> and is mentioned also in the pseudo-Aristotelian *Oeconomica*,

<sup>30</sup> It is usually assumed that the Lydians were the first to coin money. The first coins were probably made by Gyges in 697 B.C. See G. A. Barton, *Archaeology and the Bible* (Philadelphia, American Sunday School Union, 1916), 162-63.

<sup>31</sup> Hasebroek, *Trade and Politics*, 9-10.

<sup>32</sup> Thus, Herodotus relates how weak Miletus was as a state but points out that if the treasures in the temple at Branchidae, which Croesus the Lydian gave it, were seized, then strong hopes for mastery of the sea might be gained. At the very least it would give them money to begin a war of conquest, and to obtain allies through the medium of gifts and bribes.—*Persian Wars* (New York, Random House, 1942), trans. George Rawlinson, Bk. V, p. 307. Similarly, we have Herodotus' account of the rich and powerful family of the Alcmaeonidae, who were banished from Athens under the rule of the Peisistratidae. Originally attempting to free Athens by force of arms, they failed. As a result, they contracted with the Amphictyons to build a temple which now stands at Delphi. Being men of great wealth and members of an ancient and distinguished family, they built the temple much more magnificently than the plan called for. Besides other improvements, instead of coarse stone they made the facings of Parian marble. As a result of this expenditure and with the aid of a bribe to the Delphic oracle, they were able to prevail upon the latter to get the Spartans to aid them in their fight against the Peisistratidae, a fight in which they eventually won power.—Bk. V, pp. 315-16. There is the further example of Hippias, the son of Peisistratus, who in order to repulse the revolt of these same Alcmaeonidae against his rule, was able by political pressure to obtain advances of money from such states as were under obligation to him. By such coercive methods, he was able to collect large sums from several countries, especially from the Thebans.—Bk. I, p. 26.

<sup>33</sup> *Ibid.*, 17-18.

where the market of Athens is contrasted to the Persian and Spartan economies which were operating still under redistributive systems.<sup>34</sup> The market emerged during this period as an auxiliary form of economic organization. The conjuncture of separate and distinct institutional arrangements allowed money to be employed not only as a means of payment and standard of value but also as a medium of exchange. The market now assumed an increasingly more important role in economic life.

### *Conclusion and Summary*

Ancient Greece was an agricultural society, with a strong sense of tribal responsibility and with its economy integrated around the institutions of reciprocity and redistribution. Wars, conquests, colonization, and overpopulation relative to the available food supply appear to have been the major factors leading to disintegration of these institutions, the loosening of clan ties, and the emergence of individual responsibility and class warfare. Debt bondage reflected the latter state of affairs. The temporary victory of the *tyrannoī* in Greece meant not only the abolition of debt bondage but the reappearance of a strong sense of social responsibility and the reintegration of Grecian society around redistributive lines.

Under the reciprocity and redistributive economy of Homeric Greece, treasure was obtained, not through peaceful accumulation, but through the use of force and fraud. This extraeconomic accumulation of wealth then was employed to consolidate and extend political power through the dispensation of gifts and bribes, which served as the basis for further conquests and

<sup>34</sup> *The Works of Aristotle*, ed., W. D. Ross (rev. ed., London, Oxford University Press, 1921), trans. E. S. Forster, X, 1344-45. The existence of such local markets should not cause one to fall into the same errors as those modernizers, however, who see in these local markets a self-regulating, autonomous supply-demand-price mechanism which not only equates the supply and demand for goods but brings labor and land into the market and, therefore, draws society itself into the market economy. The simple fact is that the stalls of the local market were open only to the Athenian citizenry, and the market was used mainly by the poorer citizens who could not earn a livelihood on the land. It was a small place, and the activities there were controlled by the city-state through numerous officials, sales taxes, and other devices. A critique of the type of reasoning which sees in ancient societies the embryo of classical capitalist institutions is to be found in a fascinating book, published recently, by Robert L. Heilbroner. Among other things, the author states: "The Middle Ages, the Renaissance, the Reformation—indeed the whole world until the sixteenth or seventeenth century—could not envision the market system for the thoroughly sound reason that Land, Labor, and Capital—the basic agents of production which the market system allocates—did not yet exist. Land, labor, and capital in the sense of soil, human beings, and tools are of course co-existent with society itself. But the idea of abstract land, or abstract labor did not immediately suggest itself to the human mind, any more than did the idea of abstract energy or matter. Land, labor, and capital as 'agents' of production, as impersonal, de-humanized economic entities, are as much modern inventions as the calculus. Indeed they are not much older."—*The Worldly Philosophers* (New York, Simon and Schuster, 1953), 18-19.

tributes. With power came taxation of the subject people and the distribution of the taxation staples among the communal labor force, which then was employed to build public works of various kinds. Politics, not economics, was the dynamic force during this period.<sup>35</sup> Money served as a means of payment by the conquered to their conquerors in the form of gifts, tributes, and tithes. It was not used as a means of exchange since there was no market in Homeric Greece.

Trade in archaic Greece was primarily the handmaiden of politics, whereas money served the dual function of a means of payment and standard of value in equating the different goods offered as tithes and tribute. With the disappearance of the redistributive economy, the market emerged as a new and increasingly important type of integrative pattern, and money began to be employed not only as a means of payment and standard of value but also as a medium of exchange.

<sup>35</sup> The same appears to be true, to an increasing extent, in our modern world. The "economic interpretation of history," applied to our evolving capitalist institutions as well as to such social phenomena as fascism and laborism, would be much less useful as a tool of analysis than it was in describing nineteenth-century capitalism. And if one were to employ it to the understanding of Soviet culture, or the relationship between the Soviet Union and the satellite countries, very little could be gleaned from such studies, since the dynamic element in Soviet society is political, not economic.

# Trends in Mortality Differentials in the United States

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RESEARCH on the mortality experiences of the different groups comprising the population of the United States has established several differentials which are now generally accepted. In other words, these differentials in mortality have so consistently distinguished various segments of the population throughout the years that they have assumed the status of verified hypotheses. Recent investigations made by the author, however, lead him to believe that at least certain of these differentials in mortality are in the process of disappearing in the United States. Therefore, the purpose of this study is to analyze trends in selected mortality differentials in the United States with the objective of determining the extent to which they are actually passing out of the picture. Three well-established differentials have been chosen for this analysis: (1) the lower mortality experience of females in relation to males, (2) the lower mortality of rural people as compared to urban people, and (3) the lower mortality of the white in comparison with the nonwhite population. The two indexes utilized to study the trends in these mortality differentials are the life table and the crude death rate.

## *The Differential between the Sexes*

Prior to the twentieth century, there were few data upon which to base the generalization that women have lower mortality experiences than men. There is empirical evidence, however, that the differential existed as early as 1850. Before that date, evidence is extremely scanty. A life table constructed by Meech showed that in 1850 in Massachusetts the life expectation at birth for males was 38.3 years as compared to 40.5 years for females.<sup>1</sup> Thus, in that state, at the middle of the last century, females apparently had a life expectancy at birth which was 2.2 years greater than that of males. Corresponding figures for 1890 indicate that the life expectancies of males and females in Massachusetts were 42.5 and 44.5 years, respectively.<sup>2</sup> Thus, in

<sup>1</sup> Louis I. Dublin, Alfred J. Lotka, and Mortimer Spiegelman, *Length of Life* (rev. ed., New York, 1949), 41. Cited hereafter as *Length of Life*.

<sup>2</sup> *Ibid.*

Massachusetts at the close of the nineteenth century, females seemingly had a life expectancy at birth greater by 2 years than that of the males.

Trends in the mortality differential by sex in the United States for the first half of the twentieth century as indicated by life tables are presented in Table 1. These data indicate no tendency toward a diminution of the differential in life expectancy between men and women. In fact, data for the white

TABLE 1

Differentials in Life Expectation at Birth, by Sex, Registration Areas, United States, 1900-1949

Year	Life Expectation		Differential Favoring Females (in Years)
	Males White Population	Females	
1900-1902	48.2	51.1	+2.9
1909-1911	50.2	53.6	+3.4
1919-1921	56.3	58.5	+2.2
1929-1931	59.1	62.7	+3.6
1939-1941	62.8	67.3	+4.5
1949	65.9	71.5	+5.6
<i>Nonwhite Population*</i>			
1900-1902	32.5	35.1	+2.6
1909-1911	34.1	37.7	+3.6
1919-1921	47.1	46.9	-0.2
1929-1931	47.6	49.5	+1.9
1939-1941	52.3	55.6	+3.3
1949	58.6	62.9	+4.3

\* For the most part, the term "nonwhite" as used in this article refers to Negroes. Only in the 1949 reference in Table 1, in Table 3, the 1946 and 1949 references in Table 5, and Table 6 are "other races" included in the data. This group, composed of American Indians, Chinese, Japanese, and a few other Orientals, constitutes a relatively insignificant proportion of the total nonwhite population.

Source: Louis I. Dublin et al., *Length of Life*. Appendix Tables 77, 79, 81, 83. *Statistical Abstract of the United States*, 1952, United States Department of Commerce, Bureau of the Census, 78.

population show that the differential is widening. Since 1920, females have increased their expectancy of life at a more rapid rate than have males. In 1919-21, females lived, on the average, 2.2 years longer than males. Corresponding figures were 3.6 years in 1929-31, 4.5 years in 1939-41, and 5.6 years in 1949. Thus, in approximately a thirty-year period, the mortality differential favoring white females as compared with white males has been more than doubled. A similar trend has characterized the nonwhite population, except to a lesser extent. In 1929-31, the difference in life expectancy between nonwhite males and females was 1.9 years. This increased to 3.3 years in 1939-41 and 4.3 years in 1949. Thus, the life expectancy of nonwhite females at birth has also increased during this period at a more rapid rate than that of nonwhite males.

The same sort of trend in differential mortality between males and females

can be demonstrated by use of crude death rates for the periods which are being analyzed. In 1900, the male death rate for the population of the Registration Area was 17.9 as compared to 16.4 for females (see Table 2). The differential at that time was 1.5 fewer deaths per 1,000 females than per 1,000 males. In 1910, comparable crude death rates were 15.1 for men and 13.4 for women. In this case, the differential was 1.7 deaths per 1,000 persons, and again favoring women. From 1920, the data show the same increase in the differential as indicated by the use of life expectancies. In that year, the differential was reduced to 0.9 deaths per 1,000 persons. However, by 1949, 2.8 fewer deaths occurred per 1,000 women as compared to deaths per 1,000 men. The general conclusion derived from the above data is that

TABLE 2

Differentials in Crude Death Rates, by Sex, Registration Areas, United States, 1900-1949

Year	Crude Death Rates Males	Crude Death Rates Females	Differential Favoring Females (Deaths per 1,000 Persons)
1900	17.9	16.4	-1.5
1910	15.1	13.4	-1.7
1920	15.4	14.5	-0.9
1930	12.2	10.4	-1.8
1940	11.9	9.5	-2.4
1949	11.1	8.3	-2.8

Source: *Mortality Statistics, 1900-1904, 1910, 1920, 1930*, United States Department of Commerce and Labor, Bureau of the Census. *Vital Statistics of the United States, 1940, 1949*, United States Department of Commerce, Bureau of the Census. *Vital Statistics of the United States, 1949*, Federal Security Agency, Public Health Service, National Office of Vital Statistics.

there is no evidence that the mortality differential which has existed for many years between men and women is growing smaller. On the contrary, data since 1920 suggest that the differential is actually becoming larger.

#### *The Differential between Rural and Urban People*

It has long been pointed out that rural people have a lower mortality experience than urban people. Smith states that "among both males and females expectation of life has been and remains greater in rural than in urban areas."<sup>3</sup> This pattern has prevailed in spite of the concentration of medical personnel and facilities in the urban places. Demographers have not as yet satisfactorily explained the causes of this differential, except to state that there is something about the rural environment and way of life which makes rural areas healthier places to live than the cities. Nevertheless,

<sup>3</sup> T. Lynn Smith, *Population Analysis* (New York, 1948), 257.

the differential has been so persistent that it is generally included among those bits of scientifically verified knowledge which population experts have disclosed regarding the vital processes.

The differential in mortality between rural and urban people remains; there is evidence, however, that it is decreasing in the United States. This has been borne out by a recent study of mortality in Louisiana during the 1940-50 decade. Data for that state show that crude death rates in rural areas declined only slightly during this period. On the other hand, mortality

TABLE 3

Differentials in Life Expectation at Birth, by Residence, Registration Areas, United States, 1900-1939

Year	Life Expectation		Differential Favoring Rural (in Years)
	Rural <i>White Males</i>	Urban	
1900-1902	54.0	43.9	+10.1
1909-1911	55.1	47.3	+ 7.8
1930	62.1	56.7	+ 5.4
1939	64.1	61.6*	+ 3.5
	<i>White Females</i>		
1900-1902	54.4	47.9	+ 7.5
1909-1911	57.4	51.4	+ 6.0
1930	65.1	61.1	+ 4.0
1939	67.5	66.3*	+ 1.2
	<i>Nonwhite Males</i>		
1930	50.9	42.2	+ 8.7
1939	55.2	50.9*	+ 4.3
	<i>Nonwhite Females</i>		
1930	51.7	45.6	+ 6.1
1939	57.2	54.6*	+ 2.6

\* Cities over one hundred thousand population.

Source: Louis I. Dublin *et al.*, *Length of Life*, Appendix Tables 77, 79, 81, 83.

rates in the urban population of Louisiana declined very significantly during these ten years.<sup>4</sup> An analysis of data for the United States over a period of fifty years tends to support the findings in Louisiana. Differentials in expectation of life and in crude death rates show a definite tendency to change, with the higher mortality of urban people being reduced to a level more nearly equal to that of rural people.

In 1900-02, the difference in life expectancy between rural and urban white males at birth was 10.1 years, as shown in Table 3. Similar differentials prevailed between rural and urban white females (7.5 years). In both

<sup>4</sup> Homer L. Hitt and Paul H. Price, *Health in Rural Louisiana at Mid-Century*, Louisiana Agricultural Experiment Station Bulletin No. 492, June, 1954.

cases, the rural population had much longer life expectations than did the urban population. In 1939, these differentials had been reduced to 3.5 years for white males and 1.2 years for white females, still favoring the rural population. Although life tables by residence are not available for the nonwhite population before 1930, the data for the past two decades reveal a narrowing of the differential which sets apart rural and urban residents of that race. In 1930 rural nonwhite males lived an average of 8.7 years longer than did their urban counterparts. A comparable figure for 1939 shows that the differential had been reduced by approximately one-half, and that rural nonwhite males lived on an average of only 4.3 years longer than urban dwellers of the same classification. A similar trend was recorded for nonwhite females. The

TABLE 4

Differentials in Crude Death Rates, by Residence, Registration Areas, United States, 1900-1949

Year	Rural	Crude Death Rates Urban	Differential Favoring Rural (Deaths per 1,000 Persons)
1900	15.2	18.9	—3.7
1910	13.4	15.9	—2.5
1920	11.9	14.1	—2.2
1930	10.4	12.3	—1.9
1940	9.8	11.4	—1.6
1949	8.6	10.5	—1.9

*Source: Mortality Statistics, 1900-1904, 1910, 1920, 1930, United States Department of Commerce and Labor, Bureau of the Census. Vital Statistics of the United States, 1940, United States Department of Commerce, Bureau of the Census. Vital Statistics of the United States, 1949, Federal Security Agency, Public Health Service, National Office of Vital Statistics.*

differential in life expectancy favoring rural residents was reduced from 6.1 years in 1930 to 2.6 years in 1939.

The available data on life expectation therefore clearly show a trend toward the reduction of the mortality differential which has prevailed between rural and urban people. In all cases, the life expectation of urbanites has been extended more rapidly than that of the rurals, with the result that the great disparity in mortality of urban dwellers, which existed at the turn of the century, is gradually being eliminated.

This trend towards a narrowing of the mortality differential between rural and urban peoples can be demonstrated further through the use of crude death rates as presented in Table 4. Again, the general trend towards diminution is evident. In 1949, rural people in the United States died at the rate of 1.9 persons per 1,000 less than did the urban population. Fifty years earlier, a comparable figure was 3.7 persons per 1,000 population. Therefore, the

differential in the death rate favoring rural residents has been reduced by approximately one-half since the beginning of the twentieth century. However, a slight widening of the differential took place between 1940 and 1949.

*The Differential between Whites and Nonwhites*

A third differential which has persisted for many years in the United States is the lower mortality of whites as compared to nonwhite persons. An examination of trends in this relationship indicates that a diminution of the differential favoring whites is taking place. The life expectation at birth for the two groups since 1900 is presented in Table 5. These data show that the greater life expectation of white males as compared to nonwhite males,

TABLE 5

Differentials in Life Expectation at Birth, by Race, Registration Areas, United States, 1900-1949

Year	Life Expectation		Differential Favoring Whites (in Years)
	Whites	Nonwhites	
1900-1902	48.2	32.5	+15.7
1909-1911	50.2	34.1	+16.1
1919-1921	56.3	47.1	+ 9.2
1929-1931	59.1	47.6	+11.5
1939-1941	62.8	52.3	+10.5
1946	65.1	57.5	+ 7.6
1949	65.9	58.6	+ 7.8
<i>Females</i>			
1900-1902	51.1	35.0	+16.1
1909-1911	53.6	37.7	+15.9
1919-1921	58.5	46.9	+11.6
1929-1931	62.7	49.5	+13.2
1939-1941	67.3	55.6	+11.7
1946	70.3	61.0	+ 9.3
1949	71.5	62.9	+ 8.6

*Source:* Louis I. Dublin *et al.*, *Length of Life*, Appendix Tables 77, 79, 81, 83. *Statistical Abstract of the United States*, 1952, United States Department of Commerce, Bureau of the Census, 78.

which existed at the turn of the century, had been reduced by one-half by mid-century. White males lived an average of 15.7 years longer than nonwhite males in 1900-02, as compared to only 7.8 years in 1949. A similar, though lesser, reduction in the differences in life expectation between white as compared to nonwhite females has also taken place since 1900. At that time, white females lived an average of 16.1 years longer than nonwhite females. This difference had been reduced to 8.6 years in 1949. Thus, the difference in life expectation at birth between white and nonwhite females in 1949 was only slightly more than half of what it was in 1900.

The data since the beginning of the twentieth century, however, do not reveal a consistent trend towards reduction of the mortality differential between whites and nonwhites. In fact, between 1900-02 and 1909-11 the differential increased slightly among males. This was followed by a sharp decrease between 1909-11 and 1919-21, but showed a significant increase during the next decade. A slight increase in the differential was also recorded between 1946 and 1949. Among females, an increase in the mortality differential between whites and nonwhites occurred between 1919-21 and 1929-31. Otherwise, the trend has been consistently towards a diminution of the differences in mortality between white and nonwhite females.

In considering the crude death rates of whites and nonwhites over the first half of the twentieth century without reference to sex, a similar trend towards reduction is evident. These data are presented in Table 6. In 1900, the difference in the death rate was 8.0 fewer deaths per 1,000 persons for whites as compared to nonwhites. This difference had been reduced to 1.6 fewer

TABLE 6

Differentials in Crude Death Rates, by Race, Registration Areas, United States, 1900-1949

Year	Crude Death Rates Whites	Crude Death Rates Nonwhites	Differential Favoring Whites (Deaths per 1,000 Persons)
1900	17.0	25.0	-8.0
1910	14.5	21.7	-7.2
1920	12.6	17.7	-5.1
1930	10.8	16.3	-5.5
1940	10.4	13.8	-3.4
1949	9.5	11.1	-1.6

*Source: Statistical Abstract of the United States, 1950, United States Department of Commerce, Bureau of the Census, Table No. 76, p. 70.*

deaths per 1,000 persons by 1949. Furthermore, the trend towards reduction has been consistent since 1930. This simply means that the crude death rate among nonwhites has been reduced more rapidly than among whites. In 1900, the crude death rate for whites was 17.0 as compared to 25.0 for nonwhites. Similar figures for 1949 are 9.5 and 11.1, respectively.

#### *Conclusions and Interpretation*

An attempt has been made to demonstrate trends in three major mortality differentials which have prevailed for a considerable time in the United States. The data herein presented indicate that two of these differentials seem to be disappearing, while the third gives evidence of remaining and even widening. Apparently, there is no tendency for the differential in mortality

between females and males to be reduced. At least, this seems to have been true since the beginning of the twentieth century. If any trend can be observed, it is for the difference in mortality between women and men to widen rather than to narrow.<sup>5</sup> Two factors have been put forth in explanation of the lower mortality of women than men, one biological, the other social. In the latter, the role and status of the female in society are deemed such as to produce a lower mortality experience than that among men. Certainly it does not take a very acute observer to notice that the role and status of women in the United States have changed considerably since the beginning of the twentieth century. Women apparently have gradually assumed a role and status in industry and business much more similar to those of men; yet, these changes have not been accompanied by an equalization of the mortality experiences of men and women. This fact appears to support the hypothesis that the lower mortality of women as compared to men has a definite biological basis.

The mortality differential between rural and urban people definitely seems to be diminishing. The causation involved in this differential apparently is social, for as urban people have made better adjustments to the living conditions in cities, which demand that thousands of persons live in relatively close proximity to one another, the higher mortality of urban as compared to rural people has tended to be reduced. In the past, the cities have been the unhealthy places in which to live, and it is only during the twentieth century that society has been able to cope with the problems of sanitation and contagion in cities to such an extent as to reduce the mortality of urbanites to a level approaching that of rural persons. Although the rate of death in rural areas remains lower than in urban centers, the differential has been reduced greatly since the turn of the century. It might reasonably be predicted that the differential will likely disappear completely within a decade or so.

The last mortality differential considered in this study, the lower mortality experience of whites as compared to nonwhites, also seems to be decreasing. The first half of the present century has witnessed a significant diminution of the differential mortality which prevailed between these two groups in 1900. It might be predicted also that this difference in mortality which remains between whites and nonwhites will likely be eliminated completely in a few more decades. Apparently, the causation involved in this differential is social, and as nonwhites are coming to make better adjustments and to assume a role

<sup>5</sup> Houser and Beegle observed the same trend in their study of mortality differentials in Michigan. See Paul M. Houser and J. Allan Beegle, *Mortality Differentials in Michigan*, Michigan State College Agricultural Experiment Station, Special Bulletin 367, February, 1951, pp. 15, 16.

and status in society more similar to those of whites, the higher death rates of the former are being reduced to more nearly equal those of the latter.

The findings of this study suggest that in the future the demographer in the United States might have to reorient his ideas regarding differential mortality. He may necessarily find it fruitful to supplant race and residence categories for comparison with those based on economic statuses, social classes, occupations, etc., for the purpose of analysis of mortality differentials. The differential between the sexes shows no indication of disappearing.

# Comment and Reply on "Moral Judgments in Social Science"

## *The Comment*

THE SOCIAL SCIENCES have long been plagued by methodological controversy which characteristically tends to flare intermittently and then ultimately perish, shrouded in an intellectual stalemate and/or the verbal exhaustion of all participants. The net result of such exchanges is generally a solidification of the respective views of each school of thought and an increasing unwillingness of all directly or indirectly involved to modify their theses in terms of criticisms or more realistic positions implicit in the debate. It is both inconvenient and embarrassing to reverse or modify one's stand on such a fundamental issue—hence the questionable productiveness of these scholarly skirmishes.

It is encouraging to find that writers such as Daniel Kading<sup>1</sup> see fit to ignore occasionally the preceding shadowy commentary and re-examine in a fresh and stimulating manner some of the basic issues involved. Indeed, the polemical questions and issues which over a period of time have been raised in these frequently chaotic and bewildering methodological discussions are of such significance to all the social sciences that investigation in this area of thought is to be fostered, not shunned because of the deficiency of final and conclusive results hereto attained.

Extreme naivety would be inherent in any attempt to resolve completely in a brief comment the questions raised by Mr. Kading. However, it appears to me that his interesting statement suffers from a lack of balance in certain important respects and, more particularly, from failure to view clearly all the implications of the moralistic approach which he supports. The criticisms to be considered are basically three in number:

(1) Despite the fact that a social scientist may have greater knowledge of the relevant data concerning a specific problem or issue, there is no logical reason why the values of social scientists are to be weighed more heavily in policy-making than are those of nonscientists. The moralistic urge to endow the social scientist with policy-making powers forces such advocates into the embarrassing position of having to make a value statement relative to the

<sup>1</sup> "Moral Judgments in Social Science," *Southwestern Social Science Quarterly*, March, 1954. Cited hereafter as "Moral Judgments."

worth of the values held by social scientists. This is clearly a less-than-scientific undertaking.

(2) The criterion of like-mindedness, which Mr. Kading offers as a basic prerequisite for the formulation of reliable moral recommendations, might in practical situations contribute to an unhappy fusion of partisan politics and the social sciences. This could conceivably detract markedly from the objectivity (and hence usefulness) of the latter, while simultaneously undermining political democracy.

(3) Moralism in the social sciences contains certain dangers implicit in a potentially imprudent admixture of value judgments and factual data which could conceivably be detrimental to the precision and scientific objectivity of the social sciences. More specifically, any philosophy which endows scientists with policy-making authority invites the confusion of factual and value statements to the long-run detriment of the relevant field of inquiry.

These criticisms are not self-evident. Thus I shall attempt a more detailed explanation of them in their respective order.

Although Mr. Kading builds an appealing case for the making of moral judgments by social scientists, it must be emphasized that in my opinion his arguments do not rest upon a scientific, logical foundation. Indeed, the social scientist, e.g., an economist, does have "*one* of the qualifications for [moral] expertness" (his knowledge of relevant data), but it must be clearly recognized that the acquisition of technical knowledge concerning the analytical tools of theoretical economics does not *per se* endow the economist with omnipotence as a formulator of "desirable" economic policies. This is particularly so because the practical effects of, say, a so-called "economic-policy decision" will obviously have widespread noneconomic repercussions, social, political, and psychological. Such multidisciplinary ramifications pose the delicate question of whether the economist, sociologist, political scientist, or psychologist, for example, is to be given ultimate decision-making authority concerning, say, the "economic question" of income (re)distribution. How is the moralist to answer this query without becoming more deeply enmeshed in a maze of value judgments?

In short, the ability to expound "the good life" is not necessarily a function of scientific training. Whether or not the social scientist has better perspective for policy-making is in itself a value question and, hence, not subject to scientific determination. The moralist finds himself in the unenviable position of resting his case upon the specific value judgment that the value judgments of the social scientist are somehow superior to those of the layman.<sup>2</sup> Would it not be a preferable expedient—and a more intelligent di-

<sup>2</sup> Mr. Kading partially recognizes this shortcoming by stating that the foundation of his "practical demonstration" of the value of employing moral judgments in the social sciences is "a reliance upon the acceptance of my argument on the basis of the widespread acceptance of the values to which I appeal."—"Moral Judgments," n. 3, p. 24.

vision of labor—to assign the role of policy-maker to the politician, statesman, or philosopher, who is in a somewhat more advantageous position to survey mass sentiments and act accordingly? Such a separation of advocacy and analysis would contribute to the maintenance of scientific objectivity in the social sciences and would simultaneously avoid the implicit moralist assumption that the social scientist has omnipotency in ethical spheres.<sup>8</sup> The qualifications for moral expertness are manifold and varied; there are others who might well fulfill the criteria for expertness in a much more exacting manner than the social scientist.

The factualist position, on the other hand, while not so appealing on practical grounds as the moralistic philosophy, boasts internal consistency. It regards laws in the social sciences as being tentative statements of "if—then" correlations concerning factual data. These laws are always subject to change and revision. Thus, if an economic law, for example, is found to be invalid, it may be revised without causing an upheaval of the entire approach or embarrassment to the economist who supports the factualist view. Conclusions derived via the moralist approach, however, are more likely to contain a mixture of facts and value judgments and, hence, cannot be scientifically proven true or false. The harmful implications of this for revising, or improving, the social sciences under moralism are self-evident. Moralism implies the weakening of objectivity and the retardation of progress in the social sciences.

This leads, secondly, to Mr. Kading's comments upon the implications of moralism for democracy. He correctly argues that efficiency and economy in government presuppose that all policy issues are not matters to be referred to the general public for judgment. In general, he believes that there is "no genuine antithesis between the social scientist functioning as a moralist and the encouragement of independent thinking. . . ." Consequently, moralism is not deemed to be detrimental to the basic postulates of political democracy. Later in his discussion, however, he stipulates that one of the basic qualifications for expertness in policy-making is like-mindedness: ". . . we turn to those whom we believe to be in fundamental moral agreement with ourselves . . . for the answer to problems that call for specific ways of acting."

Does not this latter statement contain a threat to both political democracy and the objectivity of the scientific inquirer? Can we expect a political party to assign social scientists to policy-making posts and allow these individuals to advocate independently ("scientifically," in the moralist sense) courses of action, regardless of their consistency with over-all party-policy? Is it not

<sup>8</sup> This contention is in particularly bold relief when applied to the physical sciences. There is no logical reason why the nuclear physicist's opinions relative to the desirability—i.e., the "goodness" or "badness"—of an atomic explosion are to be given greater weight in policy-making than those of any other citizen, assuming all the fundamental and relevant consequences of such an occurrence have been made public.

possible that, under the moralist approach, partisan politics could lead to the subordination of scientific inquiry on socially significant issues by chaining the social scientist to the moral leanings of the appointing party? A distortion of facts on broad issues commanding public judgment would obviously have a crippling effect upon political democracy which postulates an intelligent citizenry armed with factually correct information on significant issues.

The final and most damaging criticism of Mr. Kading's views stems from the fact that the factualist approach to the social sciences stresses that value judgments and scientific analysis are to be separate and distinct. Advocacy and analysis are to be divorced. This almost automatically eliminates any confusions in scientific analysis which may arise from failure to distinguish between facts and values.<sup>4</sup> An accurate, objective social science is inconceivable if we fail to make this separation clear. Moralism, on the other hand, bestows both the right of analysis and the obligation of advocacy upon the social scientist. In practice, it is admittedly difficult for both the factualist scientist and the moralist scientist to distinguish between facts and values. The moralist, however, is not obligated to distinguish clearly between the two because his philosophy permits him to deal freely in both; by the very nature of his philosophy the factualist is commanded to ferret out values vigorously and to examine and manipulate only empirically verifiable factual data.

If the preceding comments are at all accurate, does it not follow that the moralist is more prone to confuse facts and values than is the factualist? Specifically, the very nature of moralism exposes the social sciences to the dangers inherent in failure to distinguish between what might be termed "statements of socio-psychological fact" and "ideological statements." A socio-psychological fact may be defined as an empirically observable or testable statement regarding human attitudes or opinions, in other words, a verifiable statement of an "if—then" correlation concerning conscious human behavior. Such a statement is factual. As such, it is either correct or incorrect; it is either true or false and can be so proven by empirical investigation. An ideological statement, on the other hand, can be simply defined as "a value judgment disguised as, or mistaken for, a statement of fact. . . ."<sup>5</sup> Because it is, in the final analysis, a value statement, it is neither valid nor invalid. It

<sup>4</sup> Disagreement among social scientists seems to stem from three major sources: (1) disagreement concerning factual data; (2) "failure to abide by the rules of logic, of identification, and of verification"; (3) differences concerning values or social goals.—See Oskar Lange, "The Scope and Method of Economics," *Review of Economic Studies*, XIII (1945-46), 22-23. The present writer feels that the third source of disagreement is the basic cause of conflict in the social sciences and, once isolated, the most difficult to eradicate because of the inability to prove value statements true or false. The moralist philosophy seems to foster conflicts arising from this source.

<sup>5</sup> See Gustav Bergmann, "Ideology," *Ethics*, LXI (April, 1951), 210.

cannot be proven true or false. If the social scientist is given free rein to mix advocacy and analysis, is it not possible—indeed, is it not likely—that he will imprudently come to confuse ideological statements for statements of socio-psychological fact?

If this is even a remote possibility, one can envision a fusion of social science and ethics which could conceivably reduce social science to a status comparable to that of astrology or phrenology. If the social sciences are to gain prestige *as sciences*, they must seek to resist the motivational pressures inherent in ideological statements.

A final potentially harmful implication of any blending of values and facts via moralism pertains to the maintenance of political democracy. Any depreciation of the social sciences which might be precipitated through the adoption of moralism might also preclude an accurate, factual presentation of relevant data to the public on paramount issues which clamor for public judgment. The repercussions of such an eventuality for political democracy have already been mentioned.

There is no doubt that moralism has tremendous immediate appeal to both the layman and the social scientist. Before passing judgment, however, one must cautiously weigh the long-run virtues of factualism. Progress in the social sciences has come by way of a most arduous route. A retracing of steps necessitated by the hasty adoption of a quasi-scientific philosophy of the social sciences must be avoided at all costs.

*Campbell R. McConnell*  
*University of Nebraska*

### *The Reply*

MY SUGGESTION that the social scientist should sometimes (though not always) make specific recommendations for action seems to be objectionable to Mr. McConnell mainly on two grounds: (1) It is a dubious and potentially dangerous procedure to permit "nonverifiable" value statements in an inquiry which aims to be objective; (2) The social scientist is probably not the best final arbiter of public policy.

Mr. McConnell's second objection is based on a misunderstanding of my position. I did not advocate the replacement of the professional politician by the social scientist or by anyone else; nor did I mean to suggest that the social scientist would *in all cases* be the best judge of policy. I intended only to say that in many cases involving complex information the social scientist would *in one respect* be in a peculiarly advantageous position to make judgments, namely, with respect to his fuller grasp of the "relevant" information.

Sometimes this advantage would be negligible, and in no case, of course, would it be sufficient for a reliable judgment. But why should we assume that politicians and philosophers have in all instances so sufficient an advantage in other respects as to make their judgments always superior? The politician, with his better "sense" of the public's attitude, can turn to the social scientist for the technical facts as a preliminary to attempting a reliable judgment; but, equally, the social scientist, with his better "sense" of the facts, can turn to the politician and others for a better insight into prevailing attitudes. Do not the respective judgments of the politician and the social scientist have their own peculiar advantages, and are there not situations in which it is fairly clear that the judgment of one or the other is likely to be superior? Ideally, in a democracy, each individual will arrive at his own final judgment regarding public policy. Is it unreasonable to believe that his judgment will be the more reliable if he can reflect upon the judgments of social scientists as well as of politicians, philosophers, and, indeed, many other groups?

To repeat, then, I in no way intended to establish the judgments of the social scientist as omnipotent. I wished only to urge that there is one good reason why the social scientist's judgments often deserve special consideration, and why he ought, therefore, under certain conditions, to make such judgments.

Turning to the first and major objection, it would no doubt be a sufficient repudiation of my thesis if it could be demonstrated that moralizing by the social scientist would be likely to reduce his science to the status of astrology and phrenology. No advantages which moralizing might have could plausibly in the long run be expected to outweigh the disintegration of his science. Mr. McConnell thinks that moralizing would be likely to have this effect because it entails the making of nonverifiable statements, and ". . . is it not possible—indeed, is it not likely—that he [the social scientist] will imprudently come to confuse ideological statements for statements of socio-psychological fact?"

Whatever objections there may be to the making of "nonverifiable" statements, it was one of the main aims of my article to show how the social scientist might make judgments which are verifiable, and I was only advocating that judgments of this kind be made. If one were to insist, as he seems to, that moral judgments be *defined* as unverifiable, then I was not recommending the employment by the social scientist of moral judgments at all. I was not considering the difficult question of whether the social scientist should make the kind of basic moral judgments which in the opinion of some (but by no means all) quite competent persons are "unverifiable," and I took no stand on this question. Rather, I was concerned with the instrumental or sub-

sidiary judgments which depend upon a going set of basic values within a democratic framework, and I tried to make it quite explicit that these judgments have validity only for "like-minded" persons, that is, persons who share approximately the same basic values and attitudes.

Thus I see in Mr. McConnell's critique nothing which stands in opposition to my position. But even if I had been advocating the kind of basic moralizing to which he is opposed, I do not think that I should find his arguments convincing. Must we not grant that basic moralizing is important, and does not the social scientist have the same peculiar advantage in this area that he has in the one already considered? Is the ethicist, for example, because he is concerned with basic moral questions, less able to discern the true and the false, is he bordering on astrology and phrenology? Or is he not, rather, more conscious of the fuzzy and bewildering character of the alleged distinction between "fact" and "value"? I doubt whether Mr. McConnell would so readily repudiate basic moralizing in social science if he did not implicitly think of such activity as unimportant nonsense. But in that case how shall we understand his own moral judgment that the social scientist ought not to moralize?

*Daniel Kading  
University of Texas*

# Book Reviews

*Edited by*

H. MALCOLM MACDONALD

FRANK FREIDEL: *Franklin D. Roosevelt: The Ordeal*. Boston, Little, Brown & Co., 1954. 320 pages. \$6.00.

In this second volume of his projected six-volume biography of Franklin D. Roosevelt, Freidel continues to combine the high level of scholarship and readability reached in his first volume. Here he gives us virtually a day-by-day, week-by-week account of the lesser-known years, 1919-28.

This is the fascinating record of an ambitious and promising young politician who, after service as assistant secretary of the Navy and vice-presidential candidate in 1920, was suddenly stricken by poliomyelitis. For a time his career seemed abruptly ended. But as he recovered somewhat, his determination for political success became even stronger: now he must prepare even more carefully than before. In fact, as Freidel portrays it, his affliction fortunately prevented him from entering state and national politics too early and, furthermore, enabled him to read more widely, to discuss serious problems with prominent leaders, to formulate his ideas of progressivism, and to analyze the methods of successful campaigning. As he regained more use of his legs, he was able to apply his studies and observations more directly in state and national campaigns. By 1928 he was nomi-

nated and elected governor of New York. His ordeal was over.

Freidel does not plead the cause of a great hero. Rather, he uses skillfully and well the voluminous manuscripts, newspapers, interviews, tape recordings, documents, and published volumes upon which his book is based. His portrayal reflects enough sympathy to engage the interest of the reader yet should not arouse that dedicated group, the Roosevelt-haters. Freidel and future biographers of Roosevelt, however, must find a synonym for "charm."

For the aspiring politician, here is the formula for political success: the constant advice of a shrewd behind-the-scenes politician (like Louis Howe); the steady stream of correspondence to party leaders, advocating party unity and harmony; the utmost care in preparing speeches and political programs; the phrasing of speeches so that the common man can understand and feel inspired; and the ability to use the radio to influence millions. Many, unfamiliar with this phase of Roosevelt's life, will note with surprise his deeply sincere attempt to form a truly progressive party in the United States and to design a foreign policy that would preserve peace. He early recognized the poor relations with our South American neighbors.

Unfortunately, Freidel is reticent to probe deeply into the depths of Roosevelt the man. Certainly with his broad

acquaintance with the letters and the intimate background, he is particularly well equipped to explain the motives of a great figure. Only rarely does he risk a comment or a biographer's logical conjecture. True, we know "what" Roosevelt said and did on almost every occasion, but the "why" remains unsaid. So, too, it is regrettable that we cannot know more of the man and his family, for surely these relationships are significant in the life of any man.

Everett Walters  
The Ohio State University

JAMES CLARK MOLONEY: *Understanding the Japanese Mind*. New York, Philosophical Library, 1954. 252 pages. \$3.50.

This book describes the Japanese mind on the basis of a consideration of certain important characteristics of Japanese life and history, and on an evaluation of Japanese psychoanalysis. The Japanese stress the insignificance of the individual and the importance of a social order in which uniformity is all-pervasive and obeisance to a single authority compulsive.

To understand the Japanese mind it is necessary to know the rigid character of Japanese culture. Daily life is hedged in by a system of obligations which subordinates individual interests to those of a hierarchical authority. This subordination begins early and is most evident in submissiveness toward the father. Child-training destroys the rights of the individual and leads to frustration of personal striving, fear, and rage.

The foregoing characteristics are found in the Japanese male even when he is insane. He is not excessively dis-

turbed; conformity to authority does not desert him. Particularly surprising is the relative infrequency of psychoses, more especially of paranoid disorders. The author ascribes these facts to the nonassertiveness which is inculcated in the young child, "the Japanese emotional disease of neurotic conformism," or character neurosis, "which protects the Japanese from developing psychoses," and to the fact that the Japanese baby is constantly in intimate and warm relationship with his mother from the time of his birth.

Japanese psychoanalysis differs from the American form chiefly in the problem of psychotherapy. The chief aim of Japanese psychotherapy is to restore the individual's readiness to submit to arbitrary conformity and to disindividualize the person, not, as in America, to achieve self-realization.

In this brief review two critical comments must suffice. First, American psychotherapy is not so fundamentally concerned, as Moloney claims, with the value of individualism as with the need for social adjustment. Social conformity, rather than individualism, describes it more accurately. Second, the analysis of the Japanese mind is only as sound as the principles and assumptions of psychoanalysis itself. To those who do not accept the Freudian doctrine, Moloney's conclusions are interesting and provocative but not scientifically established.

Hubert Bonner  
Columbia University

CARYL CHESSMAN: *Cell 2455 Death Row*. New York, Prentice-Hall, Inc., 1954. 361 pages. \$3.95.

Caryl Chessman, a habitual criminal,

has spent six years in San Quentin, condemned to die for holdups and sex crimes which he claims he did not commit. At the present moment he has just been granted another of the stays that have postponed execution a record length of time. His anomalous position is partly accidental: the court reporter at his trial died without transcribing his notes, and transcription by other hands, it seems, is open to question as incomplete and inaccurate. If there was accident to turn into legal quibble, however, there were also desperate courage, psychopathic ingenuity, unflagging energy, and surprising knowledge of the law to make the most of it. These qualities were Chessman's own, and the last third of his book relates how he defended his case himself and with only the *pro forma* assistance of an attorney on the outside has composed the appeals which, while not winning a new trial or, on some occasions, even a hearing, have at least kept him alive to consider his past and, finally, to rise above it to a sense of its meaning.

His book reviews his criminal career in the light of his present reflections and studies. Superior, perhaps morbid, talents for self-expression, a good high-school education, and six years of intensive study of the law and the social sciences shape and fortify his arguments. Hence, where he answers the general question as to whether society intelligently disposes of him and his kind, he troubles the reader's conscience. He adds nothing to what criminologists have already said, but, spoken from the death cell, the familiar words sound disturbingly new. His answer to the more personal question as to how and why he became a criminal is less successful. This, the first part of his

book, takes a form for which he has unimpressive gifts, literary biography with invented dialogue and indulgent treatment of the subject. But even here he shows insight: witness his recalling that in a reformatory, away from his idolized parents, he temporarily recovered from infantile asthma.

Robert C. Stephenson  
University of Texas

**AUSTIN RANNEY:** *The Doctrine of Responsible Party Government, Its Origins and Present State*. Urbana, Illinois, Illinois Studies in the Social Sciences, Vol. XXXIV, No. 3, University of Illinois Press, 1954. 176 pages. Paper, \$3.00; cloth, \$4.00.

After summarizing in Part I the current controversy among American political scientists over how our two-party system can be made more responsible and how responsible party government can be brought about under our complex Constitutional and electoral system, the writer proceeds to devote most of his work to a review of the ideas on the subject of several political scientists and political writers of a generation or two ago. In Part II, he examines in detail the theories and concepts of Woodrow Wilson, A. Lawrence Lowell, Henry Jones Ford, and Frank J. Goodnow on the desirability and feasibility of reconstructing our party system along more responsible lines. Part III deals rather irrelevantly with the ideas of two early twentieth-century opponents to political parties as instruments of democracy—M. I. Ostrogorski and Herbert Croly. To the reviewer, what these last-named writers suggested as substitutes for a party system seems quite im-

practicable and not materially related to the question of whether or not our party system can be made responsible. Finally, Part IV seeks to tie in the ideas of the writers reviewed to the main arguments in the current controversy, which has largely been inspired by the report of the Committee on Political Parties of the American Political Science Association—*Toward a More Responsible Two-Party System*, published in 1950. Ranney rightly states that "judging from the content of the present controversy, however, few of its participants, whether attackers or defenders of the report, are aware that the political scientists at the turn of the century had so thoroughly explored these crucial and difficult questions" and that "neither the [present] advocates nor the [present] critics of responsible party government have in any significant way advanced the discussion beyond the point where their predecessors had left it in 1915."

These quoted statements will meet with the approval of most present-day political scientists who began their study of political science thirty or thirty-five years ago, when the writings reviewed were regular assignments, and who are also familiar with the current controversy and the publications of the younger men of today in the field of political parties. The participants in the present dispute can learn much from reading Wilson, Lowell, Ford, and Goodnow—much that is valuable and much with which to disagree. To those who, like the present reviewer, regard the above-mentioned report as largely unrealistic and impracticable, the ideas of Lowell and Ford will have a greater appeal. The writers of the report,

whether they knew it or not, were largely under the spell of Woodrow Wilson, whose admiration for the British system of responsible party government and whose desire to fasten it upon our complex governmental system went quite beyond the bounds of realism. The significant questions are: Do we want a responsible two-party system? If we do, can we ever have it without amending our Constitution by the creation of a cabinet system, with all that would entail by way of change? And, finally, if such an amendment were attainable, could we insure that it would bring in its wake a really responsible two-party system?

O. Douglas Weeks  
University of Texas

HARVEY LEIBENSTEIN: *A Theory of Economic - Demographic Development*. Princeton, Princeton University Press, 1954. 204 pages. \$4.00.

In recent years Princeton University's Office of Population Research has sponsored a series of studies concerning populations of high fertility and mortality. The first four of these (Kingsley Davis, *The Population of India and Pakistan*, 1951; T. E. Smith, *Population Growth in Malaya*, 1952; Paul K. Hatt, *Backgrounds of Human Fertility in Puerto Rico*, 1952; and George W. Barclay, *Population and Colonial Development in Taiwan*, 1954) were primarily empirical treatments. Now comes Leibenstein's volume which, while also dealing with populations combining high fertility and mortality, is, in contrast to its predecessors, exclusively theoretical in approach and exposition.

Leibenstein's study falls within a long-neglected but vital province of demography—the interrelation between population conditions and economic conditions—in which no adequate theoretical framework now exists. Accordingly, one general aim of the analysis necessarily becomes that of making a start in the formulation of a theory of economic-demographic development. Primarily and more specifically, however, the objective is to explore the conditions under which a population may accomplish a transition from a Malthusian to a non-Malthusian pattern. The former pattern is characterized by high birth rates, low expectation of life, and low average income, while the latter refers to comparatively low birth rates, high expectation of life, and high average incomes. The clarification of some aspects of the thinking relative to this crucial world problem (especially of underdeveloped areas) is sought.

The method of analysis employed is the construction of a succession of theoretical models which permit the consideration and evaluation of certain basic variables in economies having high fertility and mortality. The first model elaborated as a logical starting point is that of the static Malthusian equilibrium prior to economic development. This is followed by a series of dynamic and more complex models which progressively incorporate modifications of the variables characterizing the initial stationary equilibrium. In this manner, the conditions of economic growth and the magnitude of the factors required to break the Malthusian trap are studied. Generally speaking, the sequence of models utilized proceeds from the more aggregative to the less

aggregative ones, and the hypotheses from the more restrictive to the less restrictive ones.

This essay (as the author calls it) is an abstract statement of pure theory, which frequently is expressed in mathematical form and illustrated by co-ordinate charts. Despite its highly theoretical orientation, the treatment bears a relationship to reality in that it designates variables which may be studied empirically. Highly commendable is the writer's attempt to integrate the factors of population growth and capital accumulation into one conceptual system. Unfortunately, the level of economic theory and mathematical insight which this exposition presupposes (notwithstanding the prefatory reassurance of the "exceedingly elementary nature" of the algebra employed) places it beyond the reach of a considerable share of practicing economists and demographers, and poses a challenging exercise for those well equipped to cope with it.

Homer L. Hitt  
Louisiana State University

MILTON L. BARRON: *The Juvenile in Delinquent Society*. New York, Alfred A. Knopf, Inc., 1954. 349 pages. \$5.00.

The sequence of words in the title prompts a second look, which discloses the motif of the work. It is not possible to place a finger upon any one specific agency (such as movies or comic books) or any limited series of specific causes which may alone be blamed as giving rise to delinquent behavior. Not only is such a charge extremely difficult to prove, if not incapable of proof, but

also it is only a nibble at one small corner of the larger complex of factors which affect every case. What the author espouses is a "wholistic" approach, which takes into account the numerous specifics and goes further to envision a whole that is greater than the mere sum of its parts. Deeper than the surface specifics lie a number of somewhat shabby values, which tend to be over-emphasized in contemporary society and which play powerful roles in developing delinquency.

Designed for use as a textbook, the work is comprehensive and well organized without being too profound or too technical for most students; but the author does not altogether escape the incubus of the wordy jargon of sociology, though he makes a manful and, at times, successful effort to do so. In collecting and arranging pertinent theories and research findings, he ranges into the fields of anthropology, psychology, and psychiatry, and so achieves an interdisciplinary treatment appropriate to his subject.

In a few instances, seemingly too much space is spent in belaboring dead horses, such as Lombroso's conclusions; but perhaps this is not unsuitable in a textbook wherein a modicum of the history of the subject is essential. The outlook of the work is constructive and humane. It is an admirable tool for use in the enlightenment of the parents of today's and tomorrow's children, as well as of teachers, juvenile court officers, and others concerned with delinquent youth.

An unusual and attractive feature is the insertion of a number of full-page engravings by William Hogarth, the eighteenth-century English artist, whose preoccupation with sociological prob-

lems led him to illustrate them. To these engravings, in addition to the original captions, have been appended generous notes making clear their relevance today.

M. M. Chambers  
Mount Vernon, Ohio

**SHEILA PATTERSON:** *Colour and Culture in South Africa: A Study of the Status of the Cape Coloured People Within the Social Structure of the Union of South Africa*. New York, Grove Press, 1953. 402 pages. \$6.00.

Americans understand by now that the term "coloured" in South Africa designates not the native African but a mixed race of intermediate color. The colored, moreover, are not a result of crossbreeding between white and Bantu, for they were established in the Cape well before the Bantu ever arrived there; they are the result of earlier miscegenation between the whites and several other racial groups (Bushman, Hottentot, Malay) that have by now largely disappeared.

This book is a first-rate, firsthand analysis of the status of the colored people today, based on an exhaustive search of the literature and extensive personal observation and interviews. It is offered not as a treatise but as an effort to establish a framework for future research. But Mrs. Patterson seems overmodest, for this is likely to become a standard, even a classic, work on the Cape colored.

The study is not confined to politics (though it is in this area that the colored have been most in the news of late) but seeks to describe the status of the colored community as a whole with-

in the larger structure of South African society. By a combination of the historical and analytical methods, the author examines this status in its political, legal, economic, and, above all, its social forms. Her study displays several "patterns of differentiation and discrimination," three of which may here be briefly noted. First, the criteria of discrimination have shifted from religion to culture and now primarily to color. Second, the old customary sanctions of the caste system have given way to formalized, legally enforced devices. And third, in recent years the colored have been deprived of their separate status and have been increasingly lumped together with other non-Europeans by the discriminatory policies of *apartheid*.

Mrs. Patterson's tightly written, fact-packed book discloses all these things and more. It is buttressed by a fair bibliography, an excellent statistical appendix, and a tremendous set of notes (150 pages) which she uses to illustrate and amplify, as well as to document, her argument. Indeed, much of what is in the notes might better have been included in the text.

The greatest weakness of the book (and this is by no means disabling) is that it is too closely confined to its own subject. It would convey a clearer picture of the colored people if more attention had been given to the status of the African, for, despite the poor condition of the colored, that of the native is worse. Mrs. Patterson does attempt some comparisons, both with the African and with the American Negro (about whom she is not very well informed), but much more could have been done with profit.

As far as is possible on such a subject, the author has striven to be objective

and dispassionate. But the task is too great, and, as she describes the brutalities of colored life, the poor housing, the disease, the official inequities, her emotions inevitably creep into her analysis. At points she is bitterly critical of what she finds. But I am not prepared to criticize her on this account, and I do not feel that her analysis is any the less accurate because of it.

This is a splendid piece of research, ably presented and amply documented. It should be required reading for any serious student of South Africa's vast racial problems.

William S. Livingston  
University of Texas

UNESCO: *Interrelations of Cultures, Their Contribution to International Understanding*. New York, Columbia University Press, distributors, 1953. 387 pages, \$2.00.

The second collection of essays in this UNESCO series is oriented toward the search for better international understanding. The basic culture of each of a number of peoples is treated in the fourteen essays, and the tally of authors includes three each who are French, United States Americans, and East Indians; two Spanish, and one each from China, Mexico, and Argentina. The approach is chiefly philosophic, humanistic, and historic, but the social science reader will feel at home with much of the material.

The general frame of reference is suggested by two excerpts, one from the opening essay, the other from the concluding chapter, which is the joint product of several of the authors. Richard McKeon, in the first contribution,

writes: "The three aspects of culture—social, political, and humanistic—though distinguishable, are inseparably interconnected. . . . The movements of cultures reflect both an attachment to the particular sources of values of a culture and the striving for the realization of those values in universal and communicable forms." And in the summary chapter: "The problem of international understanding is a problem of the relation of cultures."

The conclusions of the volume may be briefly summarized: The spread of industrialization to nonindustrialized peoples brings crises of rapid cultural adjustment. For such peoples ". . . it is important that they should not be faced by the blank alternative either of struggling to preserve traditional values or of acquiescing in accepting alien values. They must rather be given the means to develop, under new conditions, values comparable to those which they had previously achieved."

One need not see in the attempt at cultural synthesis the panacea for world problems in order to recognize that any effort in this direction has everything to gain, nothing to lose. The book is well worth the time and effort it calls for, even though some parts may be hard going for the nonphilosopher.

Paul Walter, Jr.  
University of New Mexico

HOWARD HILTON SPELLMAN: *Successful Management of Matrimonial Actions*. New York, Prentice-Hall, Inc., 1954. 306 pages. \$5.65.

This is a book of practical suggestions, written by a lawyer for lawyers. It should be of interest and value

to lawyers who are called upon to handle negotiations or litigation resulting from a marriage breakup, especially those who have not had wide experience with cases of that kind.

It is not a treatise, and it will not be found useful as an authoritative reference work on either substantive law or procedure. Although it contains some information about elementary legal rules and principles, including a chapter devoted to a brief exposition of substantive law, it is not a scholarly or profound work, and there is no effort to state with completeness and precision the rules followed in any state. The statements as to the law are sometimes supported by the citation of authority, but not often, and it was evidently not the author's objective to prepare a thorough, accurate exposition of legal rules and principles.

It is, instead, a book of practical advice. It is the kind of work that an older lawyer would write in his spare time for the purpose of passing on to younger lawyers suggestions and advice derived from his experience. If used as a source of ideas for the practical handling of legal problems and as a check list of points to work on, while recognizing the necessity for making an independent, thorough study of the applicable local law, the book should be helpful.

Written from the point of view of a New York lawyer, it will be more valuable to New York lawyers than to those in other states. The New York influence is especially evident in the chapter on investigation of misconduct, which is devoted entirely to methods of discovering and proving adultery. The property problems that arise on separation or divorce in community property

jurisdictions are only mentioned. For example, there is a full and detailed treatment of separation agreements in a chapter that can be of much value to a lawyer who is responsible for negotiating and drafting such an agreement, but as to any community property problems that may arise, the only useful suggestion is that the reader consult the local statutes and decisions for guidance.

Although the book was written primarily for lawyers and hence will not be of interest to laymen generally, social scientists and others who are interested in the divorce problem and the possibilities for improvement in our present procedures in separation and divorce cases will find it of interest as a full exposition of the role that a lawyer ought to play under the present law. They will be especially interested in the chapter on reconciliation and the extent to which lawyers operating within the framework of the present rules can assist in preventing family disintegration.

William O. Huie  
University of Texas

JOHN J. HONIGMANN: *Culture and Personality*. New York, Harper & Brothers, 1954. 499 pages. \$5.00.

The book's seventeen chapters deal with approaches, concepts, methods and techniques, the patterning of personality (learning, socialization, emergence of modal personality, agents of patterning), social differentiation and personality, and psychiatric problems. The focus is always on how personality (individual, or "modal") comes to be shaped or warped by one's human environment. Criticisms of culture-personality writings are acknowledged and evaluated.

Honigmann's chief emphasis is to direct the study of culture-personality along more scientific paths. Three chapters consider the philosophy of science and the relationship between theory and research, techniques, and the logical analysis of findings bearing on the hypothesis. In addition, existing studies are scrutinized for their methodological adequacy. His constructive criticism suggests not only better techniques, but, in a larger sense, defines areas of needed work, hypotheses to be tested, and sometimes the variables to be manipulated. This codification of procedures should offer much to the cautioning and training of researchers, and help provide dignity to culture-personality theory.

While Honigmann overtly disavows the reification of culture, he covertly fails to clarify its elements and its functioning. It appears to the reviewer that his conceptual frame of reference (presented in the chapter "Concepts") would be strengthened by the inclusion of elements akin to "social interaction" or Weber's "social relationships." These phenomena, implicit in the book, remain conceptually illegitimate. Indeed, without changing a word of the text, the book could be aptly titled *Culture, Personality, and Society*. Furthermore, symbolic interaction theory, a staple in sociology and social psychology, is neglected for the psychoanalytic and "culture pattern" approaches. This can be documented by the incidence of eighty-six references to Margaret Mead in the author index to one for George Herbert Mead, twenty-five bibliographic items cited for Margaret, none for George. It is true that Honigmann does present sharp criticisms of two culture-personality approaches, the genetic (sphincter

control, swaddling, etc.), and the phylogenetic (innate tendencies), but to neglect symbolic interaction while arguing for a valid culture-personality frame of reference is questionable. The term "status personality" is introduced in the conceptual scheme but used little thereafter. The reverse is true for the term "norms," and the question, "How normative are norms?" is not taken up. "Culture" is sometimes equated with "group membership" as influencing the actions of individuals. Sociology can benefit from the cross-cultural and individual emphasis presented by Honigmann, but by the same token, concepts and principles developed in sociology could be profitably shifted into the culture-personality area.

The reader should be impressed by the large number of hypotheses, not all of which are contradictory, currently available to help explain human behavior. Yet it is axiomatic that not only is more and better research needed, but a systematic theory or theories to contain and integrate them required as well. The book's drawing together of the substantive material, and especially its methodological sophistication, should make it a valuable text and reference for students at several stages of training.

Warren Breed  
Tulane University

JOHN H. BURMA: *Spanish-Speaking Groups in the United States*. Durham, North Carolina, Duke University Press, 1954. 214 pages. \$4.00.

It is the stated intention of this work to bring together under one cover "the salient facts and problems of all the major Spanish-speaking groups in the

United States" and "to present compactly yet understandably the more significant aspects of the life and conditions of each of our Spanish-speaking groups, so that such information may be easily available to the growing number of persons who desire it." This purpose is accomplished in six chapters, three devoted to Mexican Americans and one each to the Hispano-Americans of New Mexico, Filipino Americans, and Puerto Ricans of New York City. Included also are an appendix on the Penitente order, an index, and a bibliography.

Such a book has long been needed, and the author has rendered a real service in attempting this one. The result, however, is disappointing. Although there is much information packed into the 187 pages of text, it is doubtful that anyone could adequately discuss "the life and conditions" of Spanish Americans or Puerto Ricans in the 31 pages devoted to each, or of the Filipinos in the 18 pages allotted to them. Only 8 sentences are allotted to discussion of "leadership and class" among Spanish Americans, and about 1 page to present their most important institution, the family. In addition to overcompactness, the book is marred by a number of factual errors (e.g., pp. 5, 7, 13, 44, 45, 70, 73), most of which appear to be due to lack of editing and to reliance on outdated sources; by occasional contradictory, ambiguous, or meaningless passages (e.g., "Automobiles and trucks are rather rare." "Now nearly every family has some access to a car or truck." "When the minority group has a lower status, its females are more likely to intermarry than in the case of a minority group with a very low proportion of women."); by a loose use of

tenses, which at times gives the impression that the conditions of fifteen or twenty years ago still exist (e.g., the discussion of education among Hispano-Americans); by a failure to include any information from the 1950 census, which included a special report, *Persons of Spanish Surname*, in the five Southwestern states; and by some very careless editing, which permitted numerous errors and disagreements, particularly between bibliographical listings and footnote citations.

Important omissions, in addition to 1950 census data, include failure to mention or list in the bibliography the doctoral dissertations of Walter, Kluckhohn, Leonard, Zeleny, Johansen, Samora, or Simmons, among the best sources on Spanish Americans and Mexican-Americans, and the lack of any reference to Dorothy Woodward's definitive work on the Penitentes, the popular writings of Ross Calvin and Erna Fergusson on Spanish Americans, or Alonso Perales' documentation of discrimination in Texas. Also absent is mention of the American G. I. Forum, the most active interstate organization of Spanish-speaking people, any reference to the cantina as a recreational facility, and any discussion of Puerto Rican agricultural workers or urban Spanish Americans.

The book is well organized and can serve as a useful introduction to Spanish-speaking groups in the United States provided readers are wary about accepting many of the factual statements and interpretations.

Lyle Saunders  
University of Colorado

HENRY M. OLIVER, JR.: *A Critique of*

*Socioeconomic Goals*. Bloomington, Indiana University Press, 1954. 191 pages. Paper, \$2.50; cloth, \$3.00.

The title of this book is modestly indicative of its content. An alternative title might have been *Ethics and Economics*. It is based mainly on a doctoral dissertation in economics, but may well have considerable interest for sociologists. It is becoming increasingly evident in recent years that sociologists, as well as other social scientists, have not come to terms with the problem of values. One indication of some dissatisfaction with the ideal of a value-free social science is the amount of interest that has been displayed in sociological circles in "action research." To the consideration of such matters, the author seems to this reviewer to have made a considerable contribution, though perhaps, from the prevailing sociological point of view, a somewhat oblique one.

What he has done is to take up in turn five different assumptions which have been made hitherto by various economists (and statesmen) as to the norms or goals which should operate through legislation and other governmental action pertaining to economic activities—natural liberty, distribution of income according to earnings, equality, maximum satisfaction, and status—and attempt to show by careful analysis what consequences tend to follow from the application of these norms, and what difficulties are encountered. He then reviews more briefly in a concluding chapter a number of other norms which do not seem to have been quite so influential.

On the whole, I find the author's reasoning both lucid and provocative. His presentation is a model of concise-

ness. I particularly like the way in which he emphasizes, with appropriate reasoning, the possibilities of a middle way between the extremes of *laissez faire* and 100 per cent governmental control of economic activity. In a few places, particularly in his concluding chapters, the author makes rather broad statements for which no support in evidence or reasoning is clearly indicated, but this is perhaps a minor fault in an essay which has evidently sought to be, and admirably succeeded in being, concise.

Floyd N. House  
University of Virginia

AUSTIN L. PORTERFIELD and ROBERT H. TALBERT: *Mid-Century Crime in Our Culture: Personality and Crime in the Cultural Pattern of American States and Cities*. Fort Worth, Leo Potishman Foundation, 1954. 113 pages. \$2.25.

This small book, which consists largely of previously published journal articles, is divided into three parts: Part One, "Theory"; Part Two, "Data"; and Part Three, "Action."

The following are some of the tentative conclusions presented in Part One: criminal patterns are socio-cultural products; patterns of crime as cultural phenomena develop in the interaction of persons and groups with one another as ways of behaving in conflict situations; conflict situations which contribute to crime vary with the presence or absence of class, caste, ethnic groups, and fragmentized social worlds in the community; if an ethnic group is itself large enough and set off enough from outside impacts to develop its life as an organized community, it may have

lower rates of crime than the native-born populations of some other areas; the greater the number of lines of conflict in a society, the greater the rates of crime; in-groups are themselves bound together with cultural ties which may yet permit aggressive responses to in-group members on occasion; aggressive responses to out-group members on many occasions may be by cultural compulsion, though, legally, these acts are crimes; the Southern states and cities have more of these conflict groups and more aggressive cultural definitions than most non-Southern states and cities; the non-Southern states and cities tend, by differences in social structure and by cultural differences, more to suicide than to crimes against persons; the Southern areas have more crimes than the non-Southern areas with which they are compared (the Porterfield and Talbert data cover only conventional crimes that are known to the police); there may be a gradual process of equalization in crime rates between the Southern cities and the non-Southern cities, with a possible trend toward greater similarity in social structure and in cultural patterns.

In Part Two, data are presented in support of the above conclusions. The authors have developed several ingenious indexes (e.g., "Index of Secularization," "Index of Nonnativity," "Index of Depressed Classes") to assist them in analyzing their data.

In Part Three, several suggestions are offered concerning how to keep normal children and their families normal, how to aid those who are in danger, and how to treat the cases with delinquency problems.

This book is full of keen insights and mature wisdom. It should be of consid-

erable assistance to community leaders, parents, and students of criminology.

Charles D. Roberts  
*The Adjutant General's School*

LLOYD P. STRYKER: *The Art of Advocacy*. Simon and Schuster, Inc., New York, 1954. 306 pages. \$5.00.

Although the laity often think of the lawyer as an advocate and, aided and abetted by Hollywood, consider cases to be won by the forensic abilities or, more often, trickery of counsel, the fact of the matter is that this is far from true. Many lawyers never see a courtroom and those who do frequently conduct themselves in a manner which would make Cicero turn in his grave. Stryker, a member of the New York Bar, and an advocate par excellence in his own right, is dismayed by the decline of legal advocacy, and in his own words his book is a "plea for the renaissance of the trial lawyer." His book commences with a study of the labor involved in the proper mastering of a case and its presentation in the trial court. Discussed also are the problems of argument before the Appellate Bench, and the narrative is shrewdly, and often wittily, enlivened by examples taken from actual court situations and arguments. But the book, if it did but this, would be only informative and on occasions amusing. However, the author does more; for him, the passionate pursuit of justice is the essence of the legal art and the justification for the legal profession. Hence, the trial court becomes the arena where the citizen's rights are given that fundamental protection which alone allows a society to call itself democratic. It is the fact that

careful attention is no longer given, either by law schools or by the practicing lawyer, to the technique of legal oral argumentation which dismays the author and gives both moral intensity and conviction to his plea that it be revived. Indeed, he would go so far as to suggest that our legal profession be bifurcated, as is the English system, into solicitors and barristers, the latter devoted entirely to the oral presentation of cases before the courts. While many would not agree on the practicality of this suggestion, no reader of the book can withhold his assent from the author's plea that our lawyers once again take seriously the task of defending with all the power within them those accused of offenses, even when the accused represents an unpopular opinion or comes from a less favored section of the community. Surely the lawyer is committed to the maintenance of justice and the defense of right. Stryker calls upon his fellows to be again aware of that great obligation and to carry on the traditions of those masters of advocacy such as Lincoln, Levy, Campbell, Choate, and Erskine. The book should be read by every law student who wishes to catch some of the greatness of his future profession and likewise by every lawyer and layman who may tend to forget that the purpose of the trial is that justice be done.

H. Malcolm Macdonald  
University of Texas

JOHN F. DUE: *Government Finance: An Economic Analysis*. Richard D. Irwin, Inc., Homewood, Ill., 1954. 562 pages. \$6.00.

In view of Due's notable contributions to public finance, especially in the

area of sales taxation, one would expect that his new text would be a distinguished work, an expectation that has been fulfilled. This book is in all respects a first-rate contribution and can be recommended highly as a basic text and as an authoritative reference work.

The author of a public-finance text is confronted with a basic decision—whether to emphasize the aggregative effects of governmental operations or to stress their influence upon the allocation of resources and the distribution of income. Due has chosen the latter alternative. This, I think, is the right choice. As economics curricula have developed in recent years, students gain ample acquaintance with the aggregative aspects of fiscal policy in courses on principles of economics, money, and banking, etc. It is the unique task of the public-finance course to provide a thorough grounding in the allocative and distributive aspects of public expenditure and taxation. This does not mean, however, that the aggregative side can be ignored, and in fact the final fourth of this book is devoted to a sound and balanced discussion of the subject.

In writing a public-finance text the author must also decide the relative weights to be given to institutional-descriptive materials and to economic analysis. My own preference is for substantial emphasis upon analysis, though not to the exclusion of descriptive-institutional materials. Due has, I think, achieved a highly satisfactory balance between these two areas.

A unique feature of the work is the discussion of Canadian public finance, paralleling the treatment of the American fiscal system. This, I think, is a promising experiment. It permits the

student to place the American system in perspective. Most countries of the world are dealing with financial problems similar to ours. By comparing our solutions with theirs, our financial system can be understood more fully.

The heart of the book lies in the sections on income taxation and on the taxation of consumption and sales, superb sections by any standard.

In my judgment, this book shares a common fault with most of the other public-finance texts, namely, inadequate attention to the problems of *local* finance. This is a part of the field which will call for increasing emphasis in the years to come. To keep local government financially afloat promises to become one of our most vexatious problems, and it is a problem of great urgency because of the intimate connection between local government and basic human welfare. With this one reservation—which can easily be eradicated by means of supplementary reading—this book is altogether a distinguished text.

Howard R. Bowen  
Williams College

**RAYMOND F. MIKESELL:** *Foreign Exchange in the Postwar World*. New York, The Twentieth Century Fund, 1954. 658 pages. \$5.00.

The Twentieth Century Fund has a well-known reputation for sponsoring research studies of high quality. MikeSELL has added new luster to the series with his study of the foreign exchange in the postwar world.

This new volume, composed of four parts, covers in a detailed study international financial operations today. Part

I summarizes the development of post-war-payments practices and the special difficulties encountered in this field. Part II provides an up-to-date technical description of international financial restrictions. The author defines in detail various payments methods, which will prove enlightening to nonspecialists and graduate students in this field. Part III is encyclopedic and summarizes the details of exchange practices and restrictions of each country of the trading world. This part composes the bulk of the book, about two hundred pages, and is better adapted for reference use than for continuous reading. Part IV presents the analysis of the problem and engages in a series of important suggestions for the improvement of the international financial chaos.

Mikesell has long been recognized as a leading expert in the field of international finance, consulted frequently by our national government. His detailed description of the jungle of post-war monetary restrictions and their consequences in the first three parts of his study sets the stage for the analysis of these shortcomings in Part IV. His analysis shows specifically where reforms are needed to return to the convertibility of currencies, which is the accepted goal of most experts in the field.

The author has not limited himself to a critique of the present pattern of payments; he gives us a series of rather detailed proposals for improvement. These suggestions can form a practical basis for future discussions, even though this reviewer feels they are discouragingly inadequate for their purpose. The expert technician drafting this plan failed to consider the noneconomic aspects of his program. A return

of international confidence in the world's key currencies is the basis of convertibility; only an imaginative change from present practices—a psychological shock treatment—can produce this new faith; the minor technical improvements suggested by this study will accomplish little.

The author's contribution in assembling the facts and analyzing the problem is a noteworthy achievement; students in the field of international finance will be grateful for this excellent job.

*R. W. Trenton*  
*Oklahoma A. & M. College*

**ROY E. HUFFMAN:** *Irrigation Development and Public Water Policy.* New York, The Ronald Press Company, 1953. 336 pages. \$6.50.

Water problems, including utilization, land reclamation, irrigation, and public policy dealing with water are assuming greater importance year by year. The continued growth of population and the maintenance of high levels of economic activity are pressing perhaps more on water and its utilization than on the soil itself. Irrigation is spreading to the humid areas, resulting in increased consciousness and consideration of water use in its various aspects in these areas.

Students of water utilization have recognized the lack of a well-rounded reference on irrigation development and water policy. Huffman has fulfilled a great part of this need. His consideration of the problem, of course, is concerned with the economic and social aspects within their legal and institutional framework. It is in these areas where

the great schisms in water policy lie, and it is here that Huffman's discussions are made relevant to policy.

The author has reviewed adequately the literature covering historical and legal backgrounds of water utilization. His concern with policy is in the setting of "political economy," and is in no wise a plea for the development of policy based solely on economic feasibility, or economic fiat. Nevertheless, Huffman points out, and it is undoubtedly true, that a systematic consideration of alternatives should be faced—and soon—by the nation. Thus, land reclamation through drainage and clearing, while not stressed, is not overlooked. Students of the problem know that such alternatives to continuing irrigation development offer much in land and water utilization for the comparable costs and benefits expected. Someone should now face this problem and do as thorough a study on land reclamation as the author has done for irrigation development.

Huffman ended his book with what he calls twenty components of a sound irrigation policy. While these are well stated, they are a departure from the excellent summary and examination which characterized the book up to this point. Also, the twenty components, as stated, are more nearly assumptions or premises to be considered in arriving at sound irrigation policy, rather than components of that policy. Actually, the problems and issues raised by these twenty assumptions could be a subject of another book as excellent as this one.

Those who make policy should be interested in the study of the problems and issues as discussed by the author. It is among the policy-makers where such a book will have its telling effect. At the same time, this volume will be a "must"

reference in college classes in land economics and agricultural policy.

John H. Southern  
Agricultural Research Service  
U. S. Department of Agriculture

VIDKUNN ULRIKSSON: *The Telegraphers: Their Craft and Their Unions*. Washington, D.C., Public Affairs Press, 1953. 218 pages. \$3.75.

This monograph was originally entitled *Unionism in the Commercial Telegraphs*. For publication the broader title was adopted but without any apparent addition to the content. Incidental reference is made to railroad and other branches of telegraphy, and one chapter might be loosely interpreted as including their "craft," but Ulriksson's book is almost exclusively a history of the Commercial Telegraphers' Union, its predecessors, and rivals.

To many of those who have had personal experiences in the commercial telegraph industry the book will probably be of interest. Ninety years of intermittent unionism are detailed, including the names of the officers of various national and local unions, the names of strikers, and of those fired for union activities.

The author relies heavily on his twenty-four years of experience as a telegraph operator to explain numerous abortive attempts to organize the industry, especially Western Union. In addition to the overt hostility of employers, manifested in "yellow-dog contracts" and company unionism, the operators' attitude of professional superiority had to be overcome before the industry could be organized. Long after their relative wages had fallen below

those of unskilled production workers, their middle-class mentality rejected trade unionism as a solution for their problems. Only after they were goaded by the militant action of the infant American Communications Association (CIO) did a substantial number of the commercial telegraphers join the union movement, and then, ironically, they embraced the previously unsuccessful Commercial Telegraphers' Union (AFL).

Another more serious problem now confronts Western Union employees. Increasing mechanization and the declining demand for telegraphic service compared with other forms of communications make for a bleak future. As the President's Communications Policy Board concluded several years ago: "This shift in character of the demand for telegraphic service has seriously threatened the continued existence of the Western Union system as a private enterprise."

Harold A. Shapiro  
Arkansas State Teachers College

ARTHUR W. HANSON and JEROME B. COHEN: *Personal Finance: Principles and Case Problems*. Homewood, Illinois, Richard D. Irwin, Inc., 1954. 682 pages. \$6.00.

This excellent book should delight those in finance, accounting, statistics, and many other fields, both as a text and reference book. It is replete with tables, graphs, charts, and forms, assembled from various government agencies, insurance organizations, credit agencies, and other recognized sources. In total, these approximate the number of pages of text matter.

Chapter 1, "Income and Occupation," is a condensed reproduction of relevant sections from the *Time* survey report, "They Went to College," including the excellent pictographs. Most students will enjoy the generous visual presentations, including a few cartoons, but some may find part of the text too heavily loaded with statistics for easy reading. These sections, however, contain a wealth of valuable information. The reviewer agrees with the authors that the book could easily be adapted to a full-year course, though intended for one semester.

From a financial viewpoint the seventeen chapters cover in logical sequence income earning, handling of family funds, borrowing, insurance programming, housing, taxes, investing in securities and in a small business, wills, and estate planning. Each chapter includes ten to twenty capsule case-problems, of both arithmetic problems and discussion types, and ten to thirty suggested readings.

Very thorough warnings are presented against customary dangers in spending and investing, excepting a few for small business, such as dealing with a business broker and buying rather than starting a new business. The popular, but misunderstood, belief of the large risk in small business is repeated without critical analysis or comparisons to risks involved in other fields. The authors' comparison showing the average income of all small businessmen to be less than incomes of big business executives is hardly fair or scientific, in the reviewer's opinion. Nevertheless, the chapter on small business is superior to similar chapters in other textbooks.

The authors have done an excellent

job of organizing their material, presenting good classifications, definitions, descriptions, and sound advice, supported with ample illustrations and cases in the text. The book should receive highly favorable acceptance in the field for which it was prepared.

Pearce C. Kelley  
University of Oklahoma

CLYDE B. VEDDER (ed.): *The Juvenile Offender, Perspective and Readings*. Garden City, New York, Doubleday & Co., Inc., 1954. 510 pages. \$6.00.

Since the Second World War there have been many books of readings published, representing a variety of subjects in the general field of social science. Vedder has succeeded in editing one of the better books of this type.

This work is better because of pains-taking editorial arrangements. The readings are grouped according to chapter subdivisions, and at the beginning of each chapter the editor has tied the material together with from four to eight pages or more of explanatory textual material. The editorial text is single column on the page. The reading material is reproduced in double column. A list of selected references for further reading is given at the end of each chapter.

The subdivisions of the text are along lines generally followed in similar works. The readings are grouped under the following heads: the juvenile delinquent; the extent of juvenile delinquency; economic conditions and familial factors; community institutions; special personality and behavior problems; juvenile gangs; apprehension and detention; the juvenile court; trends in

the juvenile-court idea; probation; the correctional institution; parole supervision and sponsorship; and community responsibility.

The editor makes no claim that the readings cover the field and he admits that any such selection would not be altogether satisfactory as viewed by specialists. The articles he has selected are well chosen. All are reprinted in their entirety. Students of the problem of juvenile delinquency and others familiar with the literature will no doubt have read many of the articles. Obviously in the space allotted for this review no discussion of their contents can be given.

The effectiveness of the book, of course, depends upon one's method of teaching and the library resources available to the instructor and the students. As a collection of readings, this book is good and it would be a worth-while investment to supply a sufficient number of copies for reference purposes in the library. As a text, that depends on one's preferences with regard to the symposium type of book.

Negley K. Teeters has written a very appropriate foreword.

Leonard Logan  
University of Oklahoma

GEORGE A. LUNDBERG, CLARENCE C. SCHRAG, and OTTO N. LARSEN: *Sociology*. New York, Harper & Brothers, 1954. 740 pages. \$6.00.

This book is designed to introduce the college freshman or upperclassman to the field of sociology. The authors have compiled a truly impressive amount of research materials, much of it presented in tabular or graphic form.

There are 105 numbered figures and 45 numbered tables, as well as many other unnumbered figures and tables in the chapter exercises. In addition, 40 plates present pictures related to the text material. Each chapter contains an outline of its contents, exercises (review questions and things to do), a bibliography, and extensive film references. A guide to five books of readings is provided. A unique and useful feature is the numbered paragraphs. The authors recommend this, and use it themselves for cross reference to related discussions or evidence.

The conclusion of this reviewer is that *Sociology* can give the beginning student a favorable appreciation of the field. While he may be somewhat overwhelmed by the mass of materials, he can hardly fail to gain an awareness of the concrete accomplishments of present-day sociology.

To the sociologist, this review can mainly suggest examination, both by those seeking an introductory text and by those seeking source materials for other courses. But there is some danger that the sociologist, too, may be overwhelmed by the excellent format, as well as by the book's special features. Closer inspection will reveal significantly different emphases and unusual inclusions and omissions. This reviewer was favorably impressed with the chapter on science and language, with the one containing the discussion of problems of research design, and the chapter on mass communication and public opinion. In contrast, the meager treatment of race relations and race conflict is considered a defect. One general doubt may be raised: Can any but the superior student adequately absorb the mass of material included in such a

text as this, particularly in a one-semester course?

To other social scientists, *Sociology* is strongly recommended for its intensive presentation of the product and results of social research. It is one of the best answers this reviewer has seen to the statements or opinions often heard: "After all, human behavior is so complex (or random) that sociology can never become a science," or, "It's after all, a matter of opinion."

Robert H. Talbert  
Texas Christian University

GEORGE SIMPSON: *Man in Society: Preface to Sociology and the Social Sciences*, Garden City, N.Y., Doubleday & Co., Inc., 1954. 90 pages. \$95.

ELY CHINOV: *Sociological Perspective: Basic Concepts and Their Application*, Garden City, N.Y., Doubleday & Co., Inc., 1954. 58 pages. \$85.

JOSEPH S. HINES: *Social Planning in America: A Dynamic Interpretation*, Garden City, N.Y., Doubleday & Co., Inc., 1954. 59 pages. \$95.

These three monographs represent the initial publications in the Doubleday Short Studies in Sociology series. Each of the brief, paper-covered books—all priced under one dollar—is a substantial contribution to the discipline, and one can, with some fervency, hope that the series finds a market adequate to insure its continuance. At the moment, some seventeen additional titles have been scheduled for publication.

The present monographs are aimed, it is stated, at the student and layman, and designed, in the words of Charles

H. Page, who is editing the series, "to supplement or replace standard textbook assignments." Graduate students, seeking cogent summaries of existing theories and problems in various subdivisions of sociology, should find the monographs supremely rewarding. Despite the editor's cheerful estimate of the ability of the American undergraduate, however, some doubt exists as to the suitability of the studies for sociology neophytes.

The first volumes set a pace that the following contributors would do well to maintain. Simpson's work, particularly, examining the complexities of sociological theory, is a much-needed addition to a realm that abounds with individual efforts, each expounding a vested-interest approach to social relations. Simpson integrates much of this material. Moreover, he eschews sterile summary and organizes his analysis against an explicitly stated humanistic backdrop. Of particular merit is his lengthy discussion of the interrelationship of sociology with the other social sciences.

Chinoy's penetrating glance at sociological concepts is again integrative. Terms such as "culture," "learning," "institutions," "status," and "society," are examined in an eclectic light, with the writer attempting to reconcile or to blend divergent views, and stressing the appropriateness of various definitions to different analytical problems.

Himes's book on social planning would generally be considered to lie within the realm of social work, since planning, by definition, seeks to manipulate situations in terms of controversial value orientations. Himes outlines various interacting elements in social planning and illustrates both suc-

cessful and abortive planning maneuvers in terms of technique. Regrettably, there is no extended discussion of the ideological implications of planning. In all, he sees no bright future for social planning in the United States. The American people, he believes, "will probably continue, in the foreseeable future at least, to muddle through in the uniquely and traditionally American way."

Gilbert Geis

University of Oklahoma

WILLIAM A. SPURR, LESTER S. KELLOGG, and JOHN H. SMITH: *Business and Economic Statistics*. Homewood, Illinois, Richard D. Irwin, Inc., 1954. 579 pages. \$6.00.

Teachers of statistics in economics and business will welcome *Business and Economic Statistics* as an unusually thorough treatment of their subject matter. The text not only provides a fresh approach but adds new problems and new illustrations to the topics covered in the usual elementary statistics book. Of interest to many will be the chapters on multiple correlation and quality control, as well as a somewhat extended coverage of sampling theory.

As a result of the wide coverage and the thoroughness with which most topics are treated, it is the reviewer's opinion that the book can be most successfully used in two-semester courses. Although the authors suggest that "it may be adapted to a one-semester beginning course by omitting the more advanced sections," the greater need here is for compression rather than omission.

On the other hand, the material on sampling theory is already compressed.

Within forty pages the authors discuss the normal curve, statistical inference, the reliability of sample proportions, the reliability of differences between sample proportions, the reliability of means of large and small samples, the reliability of differences between means, the reliability of regression coefficient and the correlation coefficient, the analysis of variance and the Chi-square test. Though very competently written, this section (as well as the section on correlation) will take a good deal of teaching.

Throughout the authors use good judgment in avoiding the elegance of unnecessary precision when this is unwarranted by the nature of the data. As promised in the preface, the use of mathematics is kept to a minimum throughout the text. Graphic methods, particularly in the chapters on correlation, are used to good advantage.

The publishers have provided a type face which is clean and easy to read. Tables and charts are neatly presented. For the convenience of the reader, the authors and publishers have been generous in providing the more common statistical tables.

Donald W. Paden  
University of Illinois

E. A. GUTKIND: *Community and Environment: A Discourse on Social Ecology*. New York, Philosophical Library, 1954. 81 pages. \$3.75.

Much terse wisdom and imaginative insight is in this short volume. Its central problem is the reciprocal dependence of man and community, and it is to the author's credit that he has approached his problem with a sharp and

scholarly eye on historical realities rather than on the empty "natural" processes which usually appear in company with the words "social ecology."

Chief among these historical realities in the Western world is the development of the modern centralized mass state, which, together with the social atomism that it tends to breed, has made the existence of small social communities precarious. Through its monopoly of allegiances, its concentration of social functions, and its weakening of social authorities, the modern state has had a disruptive impact upon social life. The author argues that if life-centered communities are to exist and to continue to nourish stable and creative personalities, it is necessary that political and economic centralization be terminated. Only in an atmosphere of decentralization of power can those social functions and authorities which are the prime bases of human communities flourish.

Although the book's argument is especially prescriptive, there are numerous insights of an analytical character. The work is, in its larger sense, a treatise on social ethics, but Gutkind's conception of the function of sociology is firmly scientific: diagnosis, not cure, is its main task. Sociology, the author asserts, must steer a central course between the Scylla of dry statistics and the Charybdis of benevolent welfare work. The present book steers this course successfully. It must be regarded as a deeply relevant essay for the times.

Robert A. Nisbet  
University of California, Riverside

RICHARD N. OWENS: *Introduction to Business Policy*. Homewood, Illinois,

Richard D. Irwin, Inc., 1954. 473 pages. \$6.00.

Business policies, their nature, how and by whom formulated, and the important areas of business activities to which they relate, such as production, sales, finance, and personnel are the areas the author attempts to cover. Skillfully he gives an intimate glance into the mind and the pulse that go into creating business policy. He makes his illustrations applicable not only to the corner grocer and the United States Steel Corporation but also to church, social welfare, and military organizations. However, the reader may be disappointed by the fact that Owens fails to emphasize more frequently the application of the policies discussed to situations outside the immediate business world.

The feeling of intimacy with a living situation, frequently evident in this book, is intensified by quotations from business publications. Each presentation includes a discussion from many points of view which often reveals unexpected and startling conclusions or opens new vistas of thought for the reader to explore. Each discussion includes a plenitude of reference material.

One must keep in mind that the author, as he states in the preface, is studying business policy from a consideration of several approaches to the subject. Otherwise, the reader might be lost in a maze of detail, with a feeling of many starts and no conclusions. Perhaps a summary at the end of each chapter would have helped to achieve the desired objective of unity of presentation, but the cases and questions at the end of each chapter more than balance this mild objection and are an open

invitation and a challenge to further exploration of business policy.

The author's style is clear and reasonably attractive. He carefully defines unfamiliar words and thoughts in such a manner that whereas the novice is experiencing a new adventure, those of deeper maturity are enjoying a constructive experience.

Ray A. Farmer  
New Mexico Highlands University

MARIE COLLINS SWABEY: *The Judgment of History*. New York, Philosophical Library, 1954. 257 pages. \$3.75.

The author has written a book for historians and history teachers. It is just the sort of book a historian enjoys. Like most members of the craft, the reviewer writes without thought of a philosophical molding in his approach. But, perhaps like the bird that flew backwards so it could see where it had been, we all fall into one of the classes of historians without realizing it.

The author's major classification is that of the "lay historian"—Herodotus, Gibbon, Macaulay, *et al.*—as opposed to the technical or professional. Of the former, the author writes: "In his eyes, display of method is not history. To sift the evidence in public, testing hypotheses for all to see, dulls perception of more vital truth." The professional is just as contemptuous of the lay brother.

There are pertinent chapters on the "alternatives" and the "if's" of history. Exposure of how the Russian devotees of Marxian determinism jumped the gun and realized the inevitable by party

organization and force is obvious, but very illuminating.

The entire volume will repay the professional reader, for many of us think just the thoughts of the author but cannot organize our logic as does Miss Swabey.

H. A. Trexler

*Southern Methodist University*

FRANK D. REEVE (ed.): *Albert Franklin Banta: Arizona Pioneer*. Albuquerque, Historical Society of New Mexico, 1953. 139 pages. \$2.50.

These memoirs, covering 1863-1908, are by a pioneer who tried his hand at many occupations, from mule-skinning to politics, "with one notable exception, stage robbing." Banta, a rover with little formal education, had common sense, courage, and initiative. He moved from town to town and job to job so frequently that he did not achieve what is conventionally called success, but he had many friends, pleasures, and adventures. In 1870, for example, he carried Army messages two hundred trailless miles through the middle of hostile Apache territory. He declares it was he who gave General Crook the idea of using peaceful Apaches to fight their warring kinsmen. Banta himself was made a member of the Zuñi tribe, but declined the honor of being their war chief. As a district attorney he successfully opposed a ring of Apache County crooks attempting to collect excessive taxes for a fat fee. As a deputy he trailed a murderer for nine hundred miles, had his horse shot, escaped assassination three times, and brought back his man for trial. These and many other episodes recounted

show the general reader, as has often been done before, the essential nature of a type of pioneer who lived on the thin-cutting edge of the frontier in every era of our westward expansion. To specialists in Arizona, they provide many an interesting footnote to history previously known. The editor's work is excellent, aiding the reader at every point of difficulty but not intruding merely to display erudition.

William S. Greever

*University of Idaho*

GEORGE W. F. HALLGARTEN: *Why Dictators?* Macmillan Co., New York, 1954. 379 pages. \$5.50.

The author, who will be remembered for his earlier work on imperialism, endeavors in this book to establish a pattern for the analysis of the phenomenon of dictatorship, viewed as a sociological problem. In doing this he follows the method pioneered by Max Weber and for purposes of analysis classifies dictatorship under three basic headings: "Classical" (Greek, Roman, Renaissance, Cromwell, and Napoleon), "Ultra-Revolutionary" (Robespierre and Lenin), and "Counter and Pseudo-Revolutionary" (Sulla, Nietzsche, Hitler, and Mussolini), concluding with a brief treatment of dictatorships in the present world.

The work is useful in that it affords a general analysis of the social conditions which make the various types of dictatorship possible, and by the same token indicates the social alterations which will produce their change and ultimate downfall. The most thorough job is done with the fascist dictatorships, particularly in Germany, with

which the author presumably was best acquainted. The book as a whole is somewhat disproportioned, notably in its references to the dictatorships in South America and the Iberian Peninsula, which are treated in a rather summary and cursory fashion. This has the advantage, however, of indicating to other scholars the possibilities of a more detailed analysis of particular area problems along the general outline laid down by the author.

The present threat of dictatorships to democratic communities is indicated in the concluding section of the book, where the author points out that the counter actions taken by the democracies against Hitler, and now against the USSR, have necessitated an augmentation of military power and a disregard of traditional liberties, which in time could very well cause the defenders of liberty to succumb to the sickness of their opponent. While the work often lacks depth and detail, it remains valuable for its methodology and approach and hence is to be commended to the student of contemporary politics.

H. Malcolm Macdonald  
University of Texas

European Studies Center of the National Committee for a Free Europe, Inc., Rutgers University Press, New Brunswick, 1954. 266 pages. \$4.00.

Brown, Benjamin H. and Joseph E. Johnson: *The U.S. and the UN.* Headline Series, Foreign Policy Association, No. 107, New York. 62 pages. \$35.

Cape, William H. and Edwin O. Stene: *State Civil Service in Kansas.* Governmental Research Series No. 11, Governmental Research Center, University of Kansas, 1954. 160 pages.

*Citizenship Education 10-11-12: A Syllabus for Secondary Schools.* Bureau of Secondary Curriculum Development, State Education Department, Albany, 1954. 63 pages.

Curtis, Charles P.: *It's Your Law.* Cambridge, Harvard University Press, 1954. 155 pages. \$3.75.

Dauten, Carl A.: *Business Fluctuations and Forecasting.* Cincinnati, South-Western Publishing Co., 1954. 518 pages. \$5.75.

Dragovich, Alex N.: *Tito's Promised Land: Yugoslavia.* New Brunswick, Rutgers University Press, 1954. 330 pages. \$5.75.

Frumkin, Robert M.: *The Measurement of Marriage Adjustment.* Washington, D.C., Annals of American Research, Public Affairs Press, 1954. 12 pages. \$1.00.

Grayson, Henry: *Economic Planning under Free Enterprise.* Washington, D.C., Public Affairs Press, 1954. 131 pages. \$2.00.

## Other Books Received

December, 1954

Bernard, Jessie, and Deborah MacLurg Jensen: *Sociology.* 4th ed. St. Louis, C. V. Mosby Co., 1954. 391 pages. \$5.00.

Black, C. E. (ed.): *Challenge in Eastern Europe.* Twelve essays. Mid-

Grossman, Kurt R.: *Germany's Moral Debt: The German Israel Agreement*. Washington, D.C., Public Affairs Press, 1954. 67 pages. \$2.00.

Highsaw, Robert B.: *Natural Resources and an Informed Public*. Monograph of the Southern Public Administration Research Council, 1954. 60 pages.

Hoagland, Henry E.: *Real Estate Finance*. Homewood, Ill., Richard D. Irwin, Inc., 1954. 515 pages. \$6.00.

*International Political Science Abstracts—Documentation Politique Internationale*. Vol. IV, No. 1. International Political Science Association and International Committee for Social Sciences Documentation, 1953. 150 pages.

Kenworthy, Leonard S.: *Materials on World Affairs*. Washington, D.C., Public Affairs Press, 1954. 89 pages. \$1.25.

Kraines, Oscar: *Israel: The Emergence of a New Nation*. Washington, D.C., Public Affairs Press, 1954. 46 pages. \$1.00.

*A Layman's Guide to the Texas State Agencies*. Rev. ed., Institute of Public Affairs, University of Texas, 1954. 163 pages. \$1.50.

Matthews, Donald R.: *The Social Background of Political Decision-Makers*. Doubleday Short Studies in Political Science, Doubleday & Co., Inc., Garden City, New York, 1954. 62 pages.

McMillan, T. E., Jr.: *County Unit Road Administration in Texas*. Institute of Public Affairs, University of Texas, 1954. 54 pages. \$1.00.

Pike, Royston: *Jehovah's Witnesses, Who They Are, What They Teach, What They Do*. Philosophical Library, New York. 135 pages. \$2.75.

Rienow, Robert: *Our State and Local Government*. Bureau of Secondary Curriculum Development, New York State Education Department. 190 pages.

Robson, William A.: *The University Teaching of Social Sciences' Political Science*. International Political Science Association, UNESCO, 1954. 244 pages.

Russell, Lord of Liverpool: *The Scourge of the Swastika: A Short History of Nazi War Crimes*. New York, Philosophical Library, 1954. 250 pages. \$4.50.

Schanck, Richard L.: *The Permanent Revolution in Science*. New York, Philosophical Library, 1954. 107 pages. \$3.00.

Washburne, Norman F.: *Interpreting Social Change in America*. Doubleday Short Studies in Sociology, Doubleday & Co., Inc., Garden City, New York, 1954. 48 pages. \$1.00.

# News and Notes

## *General*

SOUTHERN UNIVERSITY has completed a study of student opinion regarding instructor and instructors. Members of the Social Science Department who participated are J. K. ANTHONY, W. W. CRAIG, N. GRAY, and WALTER I. MURRAY. Professor Murray served as director of the study.

SOUTHERN UNIVERSITY AND A. and M. COLLEGE, Baton Rouge, announces the addition of eight new members to the Social Science Department: M. C. BROWN, MISS G. M. FRY, JAMES GALLOWAY, LLOYD HOGAN, MISS HARRIET MITCHELL, JOHN D. REID, HAROLD R. SAUNDERS, and O. WILLIAMS.

## *Accounting*

HORACE BROCK, who recently completed a Ph.D. degree at the University of Texas, has been appointed assistant professor of accounting at North Texas State College.

## *Business Administration*

JOHN E. ALTAZAN has been appointed assistant professor of international trade at Loyola University of the South.

RUTH I. ANDERSON, associate professor of business administration at North Texas State College, has been

named associate dean of the National Professional Secretaries Association.

RAYMOND BRITTON, Dallas attorney, has joined the faculty of the School of Business Administration at North Texas State College as an instructor in business law.

CAROLINE CURRIE, assistant professor of business administration at North Texas State College, has been granted a leave of absence to do graduate work at Northwestern University.

HENRY J. ENGLER, JR., associate professor of management, has been named acting dean of the College of Business Administration, Loyola University of the South. He succeeds JOHN V. CONNOR, professor of economics, who has resigned as dean to resume full-time teaching.

OWEN S. KERN has been appointed instructor in business administration, Louisiana State University, to replace MILTON S. GOLDBERG, who is on sabbatical leave of absence to work on a doctor's degree at Indiana University.

R. V. LESIKAR has been appointed associate professor of business administration, Louisiana State University.

N. H. RINGSTROM, formerly of the University of Arizona, has been appointed associate professor of marketing and management at Loyola University of the South.

**FRANK A. ROSS**, who recently completed a Ph.D. degree at the University of Texas, has been appointed assistant professor of statistics at North Texas State College.

**LEON M. SCHUR** has been appointed instructor in business administration, Louisiana State University.

**HERBERT BOB STELLMACHER**, formerly of the University of Houston, has been appointed assistant professor of marketing at North Texas State College.

#### *Economics*

**CLARK LEE ALLEN**, formerly of Florida State University, has been appointed chairman of the Department of Economics, Texas A. and M. College.

**PHILLIPS BROWN** has been appointed assistant professor in economics at the University of Arkansas.

**JOHN W. CHISHOLM**, associate professor in the Department of Economics, Louisiana State University, has been released half-time for the academic year 1954-55 to make a study in Louisiana for the United States Bureau of Labor.

**LOUIS A. DOW** has been appointed assistant professor in economics at the University of Arkansas.

**GRANT FERGUSON**, who has been doing graduate work at the University of Wisconsin, has been appointed instructor in economics at North Texas State College.

**H. J. FRIEDSAM** has been appointed chairman of the Department of Economics and Sociology at North Texas State College.

**JACK JOHNSON**, after thirty years of service at North Texas State College, has retired as dean of the Graduate School and director of the Department of Economics and Sociology.

**B. F. LEVIN** has been appointed instructor in economics, Louisiana State University.

**CHARLES E. MYLER, JR.**, instructor in economics, Loyola University of the South, has been granted a leave of absence to carry on doctorate work at Indiana University.

**JOHN E. PEARSON**, formerly of New Mexico A. and M. College, has joined the faculty of the Department of Economics, East Texas State Teachers College.

**W. D. ROSS**, professor of economics in the College of Commerce at Louisiana State University, is dividing his time between research and teaching. During the fall semester he is completing a study undertaken for the Louisiana State Department of Highways on the methods of financing Louisiana's highways.

**RICHARD L. STERBA** has joined the staff of Midwest Research Institute of Kansas City, Missouri, as associate economist. He has also accepted the position of lecturer in resources and industrial location at the University of Kansas City.

**P. C. M. TEICHERT** has been ap-

pointed instructor in economics, Louisiana State University.

**KENNETH M. THOMPSON**, associate professor in the Department of Economics, Louisiana State University, has been released half-time for the academic year 1954-55 to make a study in Louisiana for the United States Bureau of Labor Statistics.

**PAUL W. ZICKEFOOSE** has been appointed associate professor of economics at New Mexico College of A. and M.A. He has replaced **JOHN E. PEARSON**, who is now teaching at East Texas State Teachers College, Commerce, Texas. Dr. Zickefoose received a Ph.D. degree from the University of Kansas in June and has been employed by the Bureau of Business Research at the University of Kansas for the past three years.

### *Geography*

**RALPH E. BIRCHARD**, assistant professor of geography at Oklahoma A. and M. College, was granted a Ph.D. degree at the University of Iowa in August. His dissertation subject was "Spacial Structure of the Oklahoma City Metropolitan Region."

**DONALD I. EIDEMILLER**, assistant professor at Texas A. and M. College, has taken leave to work on a Ph.D. degree at the University of Indiana. He has been replaced by **JAMES E. PATTERSON**, University of Illinois.

**ROBERT C. FITE**, associate professor of geography at Oklahoma A. and M. College, has recently com-

pleted a revision, as co-author, of **BLAIR'S Weather Elements**, to be published soon by Prentice-Hall, Inc. He published an article on germanium in the January issue of the *Scientific Monthly*.

**EDWARD E. KESO**, professor and head of the Department of Geography at Oklahoma A. and M. College, has had a six-thousand word article, "Conservation of Our Resources," accepted for the next issue of the *Encyclopedia Americana*.

**A. RUSSELL McFARLAND** is teaching a new course, "Economic Geography of Latin America," recently added to the geography curriculum at Arkansas Polytechnic College.

**R. O. TROUT** received a doctorate at Louisiana State University on August 6. He has been promoted to professor of geography, Louisiana Polytechnic Institute.

**DAVID C. WINSLOW**, Oklahoma A. and M. College, was promoted to associate professor of geography this fall.

### *Government*

**OLIVER E. BENSON**, Department of Government, University of Oklahoma, has been granted a year's leave of absence to accept a position as visiting professor of international relations at Northwestern University.

**W. E. BENTON**, assistant professor of government at Southern Methodist University from 1948 to June, 1954, has joined the University of Houston

faculty as assistant professor of government, Division of Social Sciences.

**EDWARD E. DALE**, retired, of the University of Oklahoma, is now a visiting professor at the University of Houston. He returned in the spring from duty as a Fulbright professor at the University of Melbourne, Australia.

**JAMES W. DRURY**, associate professor of political science, University of Kansas, is on leave to accept a Fulbright Fellowship in Japan.

**EDWIN FOGLEMAN**, Princeton University, has been appointed to an instructorship in the Department of Government, University of Oklahoma.

**LEON HALDEN**, professor of government at the University of Houston for many years, died in August, 1954, while teaching.

**JAMES JARVIS** is a visiting instructor in public administration and local government at the University of Kansas. He comes to Kansas from the University of Illinois, where he is completing a doctorate under PROFESSOR KNEIER.

**CLIFFORD KETZEL** has joined the staff of the Department of Political Science, University of Kansas, as an assistant professor. He spent two years with the State Department and two years with the Institute of Public Affairs prior to completing graduate work at the University of California.

**W. A. KIRK**, professor of government, Huston-Tillotson College, is

on leave, serving as a Congressional Intern in the program sponsored by the American Political Science Association.

**WILLIAM S. LIVINGSTON**, Department of Government, University of Texas, has been advanced from assistant professor to associate professor.

**JOE W. NEAL**, special instructor in government and director of the International Advisory Office at the University of Texas, spent eight weeks during the past summer on a tour of the Middle East under the sponsorship of the Friends of the Middle East.

**DON PILCHER** has joined the Governmental Research Center staff at the University of Kansas as assistant director for Child Research.

**EMMETTE S. REDFORD**, professor of government at the University of Texas, is serving during the fall semester as visiting professor at Duke University, where he is teaching courses in public administration.

**JAMES R. ROACH** has been advanced from assistant professor of government to associate professor at the University of Texas.

**EDWIN O. STENE**, professor of political science, University of Kansas, is on leave for a year with the University of the Philippines, where he is directing the Research Bureau of the University and consulting on administrative problems of the Philippine government, under the F.O.A. program. En route home, he expects

to attend the International Political Science meeting in Stockholm.

### *History*

**WILLIAM H. ADAMS** has been appointed part-time instructor in history, Louisiana State University.

**JOSEPH O. BAYLEN**, formerly of New Mexico Highlands University, has been appointed chairman, Department of Social Science, Mississippi Delta State Teachers College. He is presently engaged in writing a biography of Madame Olga Novikov, Slavophile propagandist.

**J. HARRY BENNETT, JR.**, associate professor of history, University of Texas, has returned from a year's leave of absence on a fellowship from the Ford Fund for the Advancement of Education.

**WALTER LEE BROWN** has been appointed instructor in history, University of Arkansas.

**JAMES C. CAREY**, Kansas State College, has been promoted to professor of history. On sabbatical leave during 1954-55, he is pursuing postdoctoral study and teaching at Monterrey, Mexico.

**RONALD DREW** has returned to the University of Houston after an interim of several years spent in study and research on the West Coast. He joins the Division of Social Sciences as instructor of history.

**JOE B. FRANTZ, JR.**, associate professor of history, University of Texas, has returned from a year's leave of absence on a fellowship from the

Ford Fund for the Advancement of Education.

**ROBERT GANYARD**, recent graduate student at Duke University, has joined the faculty of the Division of Social Sciences, University of Houston, as instructor of history.

**EDWIN MILES** has joined the faculty of the Division of Social Sciences of the University of Houston as assistant professor of history. He formerly taught at the University of North Carolina as instructor of social sciences.

**J. PRESTON MOORE**, associate professor of history, Louisiana State University, has returned from a year's leave of absence for research in Seville, Madrid, and London.

**W. H. NELSON**, formerly of the University of Toronto, has joined the Rice Institute faculty as assistant professor of history.

**AMOS E. SIMPSON** joined the staff of the University of Arkansas as instructor in history in July, 1954.

**HOMER E. SOCOLOFSKY**, assistant professor of history at Kansas State College, was awarded a Carnegie Internship and is teaching history at Yale University during the year 1954-55.

**RALEIGH SUAREZ** has been appointed part-time instructor in history, Louisiana State University.

**T. HARRY WILLIAMS** is acting head, during the fall semester, of the Department of History, Louisiana State University, in the absence of **EDWIN A. DAVIS**, on leave in Mexico

City for work on a history of Mexico City.

**JOHN D. WINTERS** has returned to his duties as associate professor of history, Louisiana Polytechnic Institute, after twelve months of study and research at Louisiana State University.

**RICHARD YOUNGER** has joined the faculty of the Division of Social Sciences, University of Houston, as assistant professor of history. Previously, he taught at the Milwaukee Division of the University of Wisconsin.

### *Sociology*

**JEAN FYFE BAIRD** has joined the staff of the Sociology Department, University of Wichita, and is in charge of the courses on marriage.

**E. JACKSON BAUR** has returned to the Department of Sociology, University of Kansas, after a year's sabbatical leave spent in research with the assistance of a grant from Community Studies, Inc., of Kansas City. His field of investigation concerned the determinants in decision-making and policy-formation of social welfare boards.

**CARROLL D. CLARK**, chairman of the Department of Sociology and Anthropology, University of Kansas, is on sabbatical leave, having received a grant from the Fund for Adult Education. He will visit various centers of activity in adult education, making his headquarters at Cornell University.

sity. **MARSTON M. MCCLUGGAGE** is acting chairman in his absence.

**DONALD O. COWGILL**, professor and head of the Department of Sociology and Anthropology, University of Wichita, has completed an ecological study of Wichita, Kansas, under the title, "A Pictorial Analysis of Wichita," published by the Wichita Community Planning Council. He is also co-author with **ASSOCIATE PROFESSOR AMY G. GERLING** of "Children and Youth in Wichita," published by the University of Wichita.

**EVERETT DYER** has returned to the faculty of the Division of Social Sciences of the University of Houston as assistant professor of sociology after a leave of absence for study at the University of Wisconsin.

**E. GORDON ERICKSEN** has been promoted to associate professor of sociology, University of Kansas. He has been granted a leave of absence to serve as a sociological consultant on public housing for the foreign operations administration of the State Department's Point Four Program. His task will be to organize self-help public-housing programs in Caribbean areas not controlled or administered by the United States government. He will make his headquarters in Trinidad.

**HILDON GIBSON** has returned to his position as chairman of the Human Relations Department after a year's study of human relations activities in other universities, made under a grant from the Ford Foundation. His

headquarters were at Colgate University. MARSTON M. MCCLUGGAGE served as chairman of Human Relations in Dr. Gibson's absence.

BYRON E. MUNSON, who completed a Ph.D. degree at the University of Illinois, has been appointed assistant professor of sociology at North Texas State College.

RUPERT MURRILL, who recently received a Ph.D. degree in anthropology from Columbia University, has been promoted to assistant professor of anthropology, University of Kansas. In addition to his work in anthropology, he serves as director of the University's reading course in Western Civilization.

GERALD J. SCHNEPP has joined the Department of Sociology at St. Mary's University, San Antonio. In addition to teaching duties, he has been named vice-president and director of Adult Education at the University. He comes from St. Louis University, St. Louis, Missouri, where he had been professor of sociology since 1947.

ORRY C. WALZ, who has been an instructor in sociology, University of Kansas, received a Ph.D. degree from that university in June and has accepted a position as assistant professor at East Central State College, Ada, Oklahoma.

GEORGE H. WEBER, who received a Ph.D. degree from the University of Kansas in June, has accepted a position as director of preventive and corrective services, Minnesota Youth Commission.

OLIVER R. WHITLEY, associate professor of sociology, Phillips University, Enid, Oklahoma, is preparing a manuscript dealing with the problem of social and cultural change in a religious group, tentatively entitled *The Formative Years of the Disciples of Christ: From Sect to Denomination*.

ROBERT WITT, who has been studying for a doctorate at the University of Wisconsin, will serve as instructor in sociology, University of Kansas, during the absence of E. G. ERICKSEN.



## *To Be Published in January, 1955*

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